

1 UNITED STATES DISTRICT COURT
 2 FOR THE EASTERN DISTRICT OF VIRGINIA
 ALEXANDRIA DIVISION

3 UNITED STATES OF AMERICA, :
 :
 4 Plaintiff, : Criminal Action
 : No. 1:23-cr-00081
 5 v. :
 :
 6 HAILONG ZHU, : September 7, 2023
 : 8:56 a.m.
 7 :
 Defendant. : Volume 3
 8 :
 :
 9

10 TRANSCRIPT OF JURY TRIAL PROCEEDINGS
 11 BEFORE THE HONORABLE MICHAEL S. NACHMANOFF,
 UNITED STATES DISTRICT JUDGE, AND A JURY

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24
 25 (Continued)

1 (Continued)

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24 Proceedings reported by machine shorthand. Transcript produced by
25 computer-aided transcription.

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1 THE COURTROOM DEPUTY: *United States of America v.*
2 *Hailong Zhu*, Case Number 1:23-cr-81. Will the parties please
3 note their appearances for the record.

4 MS. BEDELL: Good morning, Your Honor. Zoe Bedell and
5 Stephanie Schwartz for the United States.

6 THE COURT: Good morning.

7 MR. KAMENS: Good morning, Your Honor. Jeremy Kamens,
8 Nate Wenstrup, and Angus Ni for Mr. Zhu, who's present.

9 Can I ask the Court's indulgence for one moment?

10 THE COURT: Yes.

11 (Whereupon, there was a brief pause in the
12 proceedings.)

13 MR. KAMENS: This is a small point, Your Honor:
14 Yesterday during the testimony of Yang Wen, the linguist, the
15 government pointed him to a portion of the transcript in, I
16 believe, 15-2A where the linguist had put a note where he
17 identified a misunderstanding between Agent Shi and Mr. Zhu.
18 That portion of the transcript is not in the portion that was
19 admitted, 15-2B, and I would just ask that that portion be added.
20 The government opposes that request, but if the jury, having
21 heard that testimony, goes to look to see where is that, it won't
22 be there. So we would ask, since the government pointed that
23 out, that it be added, that even that line be added with the
24 translator's note.

25 MS. BEDELL: Given a second to think about it more, I

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1 think if we just limited it to that very narrow line or -- I
2 might need to look at that whole excerpt that we were looking at,
3 but I think we would be okay with that, Your Honor, if we could
4 have a moment to look at that before that ultimately is added.

5 MR. KAMENS: I just mentioned it to the government now,
6 so --

7 THE COURT: That's fine. You can raise it later. I'm
8 certainly not inclined, and I did not understand Mr. Kamens to be
9 asking, to admit the entire large item, but to the extent he's
10 asking for that one paragraph where those particular lines were
11 discussed be admitted and the government doesn't object, I'd
12 permit a redacted version of 15-2A to be admitted, but you can
13 address that to me jointly after you've had a chance to think
14 about it.

15 Are there any other issues that either side needs to
16 raise?

17 MS. BEDELL: No, Your Honor.

18 MR. KAMENS: No, Your Honor.

19 THE COURT: I am hopeful, and, maybe, unrealistically
20 so, that, perhaps, we'll be able to move to the rest of this case
21 and get to the jury instructions sooner rather than later. I
22 will have jury instruction for you to review. I've looked at,
23 carefully, your briefs and the disputed instructions. We've also
24 looked very carefully at the joint instructions, and I will be
25 giving the bulk of them, but there are some changes, but

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1 stylistic and substantive, that I've made and I want you-all to
2 be aware of those.

3 I believe that, perhaps, we've sent a verdict form. If
4 not, we will do so this morning. Again, this is a very simple
5 case, so I don't imagine there will be controversy about that. I
6 don't know whether the parties have asked or considered whether
7 or not some version of the indictment should go back with the
8 jury; but if so, then I wanted to address that, because it would
9 obviously have to be redacted in an appropriate way. I'm not
10 suggesting that it should or shouldn't. I just want to think
11 about it in the event that either the jury asks about it or the
12 parties believe that it should go back in some form, because it
13 will need to be redacted if that's the case. So you-all can talk
14 about that and get back to me on it.

15 Let me thank our interpreters who are here with us this
16 morning. They remain under oath from the beginning of the trial,
17 so we don't need to put them under oath again.

18 We're missing one juror. Let me just think about any
19 other matters. I saw the updated witness list, so as I
20 understand it, after Agent Shi is finished, there are two more
21 law enforcement officers that will make up the government's case
22 in chief, and then we'll see whether the defense wishes to
23 present any evidence in their case.

24 I'm also going to want the parties to confer about what
25 exhibits have come in with each other and then with Ms. Creek so

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1 that we have no confusion before the government rests as to
2 exactly what's coming in and what is not.

3 MS. BEDELL: Your Honor, do you send an exhibit list
4 back with the jury? Is that something that you consider?

5 THE COURT: Well, again, that's not a bad idea. My
6 view is that anything that helps the jury sift through an
7 enormous amount of material will be helpful, but you would have
8 to provide an updated and redacted index, which I would want
9 you-all to confer on before that.

10 MS. BEDELL: Yes, Your Honor.

11 MR. KAMENS: We're certainly not opposed to an index as
12 long as there's not substantive information in the titles that
13 would --

14 THE COURT: And to be clear with the parties, my
15 practice is to give the jury instructions prior to closing
16 arguments so that you have the opportunity to, essentially, have
17 the last word with the jury. I'll give some very final
18 instructions about picking the foreperson and the standard
19 language, but I will give the bulk of the instructions prior to
20 closing arguments.

21 MR. KAMENS: Understood.

22 THE COURT: We're missing one juror. It's just nine
23 o'clock now. If you can have Agent Shi available and ready to
24 start, I'll take a brief recess; and as soon as the final juror
25 is here, we'll bring them in.

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1 Court will be in recess.

2 (Whereupon, a recess in the proceedings occurred from
3 9:03 a.m. until 9:05 a.m.)

4 (Whereupon, the witness takes the stand.)

5 THE COURT: You may bring in the jury.

6 (Jury in at 9:06 a.m.)

7 THE COURT: Good morning, ladies and gentlemen of the
8 jury. Welcome back. Thank you for coming early. We appreciate
9 it. We handled some preliminary matters, and we'll take up the
10 testimony of Agent Shi in one moment.

11 Let me first confirm that you were able to follow all
12 of the instructions of the Court, and that between last night and
13 this morning, you did not discuss the case with each other or
14 with anyone else; that you did not conduct any independent
15 research on the internet or learn anything about the case and
16 otherwise follow the Court's instructions; is that correct?

17 I see you are all nodding your heads. Thank you very
18 much.

19 Hopefully, we'll be able to get through a lot today,
20 and we appreciate your patience and your devotion to this matter.

21 Are the parties ready to proceed?

22 MS. BEDELL: Yes, Your Honor.

23 THE COURT: Agent Shi, you remain under oath, and
24 counsel may continue direct examination.

25 /////

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~~Shi - Direct - Schwartz~~

1 (JEFFREY SHI, GOVERNMENT'S WITNESS, PREVIOUSLY SWORN)

2 CONTINUED DIRECT EXAMINATION

3 BY MS. SCHWARTZ:

4 Q. Good morning, Special Agent Shi.

5 A. Good morning.

6 Q. I would like to direct your attention back to
7 Exhibit 15-2B, page 14. So towards the bottom of page 14, you
8 mentioned earlier that you asked him repeatedly when he stopped
9 working with others; is that correct?

10 A. I did.

11 Q. And directing your attention to lines 564 through 566 and
12 then line 568, what was his response?

13 A. [As read]: Zhu: When I first got there about two months
14 ago, I decided not to do it. I started to refuse to do it
15 because he said -- for the first month after I got there, he
16 said he'd give me the money, but he didn't. He said he would
17 give me the next month. Then later, still no money. I said I
18 would not do it.

19 Shi: Mhm, it was during -- during October to
20 November 2022?

21 Zhu: Yes, yes. They promised the money, but they ended
22 up not giving me the money. I then said I will not do it.

23 Q. Directing your attention to the top of page 15, did you
24 ask him anything about his living arrangements while he was in
25 Los Angeles?

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1 **A.** I did.

2 **Q.** What did he tell you? I direct you to line 603.

3 **A.** He told me that the people he worked with paid his rent.

4 **Q.** And directing you to the middle of the page, did you ask
5 him during the interview how he communicated with the people he
6 was working with?

7 **A.** I did.

8 **Q.** And how did he tell you he communicated with them?

9 **A.** He told me he communicated with them through WeChat,
10 which is a Chinese social media messaging app.

11 **Q.** Did he say whether he still had the WeChats between him
12 and the people he was working with?

13 **A.** He told me he deleted the chats.

14 **Q.** Did he say they communicated in other ways besides
15 WeChat?

16 **A.** He did.

17 **Q.** And directing you to the bottom of page 15, lines 683 to
18 686, what did he say -- what other means did he say they used to
19 speak?

20 **A.** He told me that they sometimes talked over the phone.

21 **Q.** Directing you to the top of page 16, did you ask him
22 about the two businesses he opened and whether he had ever
23 performed services for those businesses?

24 **A.** I did.

25 **Q.** And directing you to line 722, what did he say?

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1 A. "Never."

2 Q. And 724?

3 A. "Never."

4 Q. At the bottom of page 16, can you characterize what these
5 few lines -- what you're discussing with him in these few lines?

6 A. I asked him whether he thought it was normal to open a
7 business, labeling as a business in construction but not
8 actually performing any construction work with these businesses.
9 I asked him whether or not he thought it was -- it was an odd
10 thing, a wrong thing to do, and he told me that, at first, he
11 didn't know; but, later, he realized it was wrong and stopped
12 doing it, and he stopped because he wasn't getting the money
13 that he was promised.

14 Q. And can you read line 737?

15 A. "Zhu: Later, I realized I didn't get the -- later, I
16 realized that this was not a legitimate thing. Later -- they
17 didn't give me the money. I didn't get any money."

18 Q. Directing you to the top of page 17, did you ask him
19 about whether after that October/November time frame he's
20 mentioned repeatedly, whether he worked with them at all again?

21 A. I did.

22 Q. What did he say?

23 A. He said after November -- October to November of 2022, he
24 opened one more bank account because he was promised \$5,000.

25 Q. And directing you to the bottom of page 17, did he say

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1 whether he got that \$5,000?

2 **A.** Yes. He never got the \$5,000.

3 **Q.** And can you read lines 786 through 789?

4 **A.** "Shi: Isn't it -- you just told us that in 2022, around
5 October and November, when you realized that the business, the
6 thing you were doing, was against law, illegal, right?

7 Zhu: Right.

8 Shi: So, then why did you wait another few months before
9 helping them again, helped them do it a couple of times? Oh,
10 they gave you that \$5,000.

11 Zhu: He said -- he said he would give me the money. But
12 he waited so long, he never gave me -- never give me money."

13 **Q.** So, generally, during this interview, about how long was
14 it? How long were you speaking with Mr. Zhu?

15 **A.** It was approximately two hours.

16 **Q.** And over that two hours, how would you characterize your
17 interactions with him?

18 **A.** I would say the defendant was polite and respectful,
19 smart and well spoken. I would say he was being truthful with
20 me in some things, such as when he told me that he was recruited
21 by people higher up to commit the fraud, and that they scammed
22 him and didn't pay him the full money he was promised. I don't
23 think he was being as truth- --

24 MR. NI: Objection; speculation.

25 THE COURT: Sustained.

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~~Shi - Cross - Ni~~

1 BY MS. SCHWARTZ:

2 Q. At any point, did you show the defendant a picture of
3 anyone you believed him to be working with?

4 A. I did.

5 Q. I would now like to show you what's been admitted as
6 Government's Exhibit 16-18.

7 MS. SCHWARTZ: If we could publish that.

8 (Exhibit published.)

9 BY MS. SCHWARTZ:

10 Q. Is this the photo you showed him?

11 A. It is.

12 Q. And was he able to identify who the person in the photo
13 was?

14 A. He was.

15 Q. What did he say about the person in the photo?

16 A. He identified the individual to be one of the people who
17 recruited him and who worked with him.

18 MS. SCHWARTZ: Nothing further, Your Honor.

19 THE COURT: Thank you.

20 Cross-examination?

21 CROSS-EXAMINATION

22 BY MR. NI:

23 Q. Good morning, Agent Shi.

24 A. Good morning.

25 Q. First, I want to talk about the picture that was just up

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~~Shi - Cross - Ni~~

1 there. When Hailong identified the man and said he knew him,
2 did he say what his name was?

3 A. He did.

4 Q. What was his name?

5 A. I don't recall the Chinese name he identified himself as
6 at this moment, but it's on my report.

7 Q. But was it -- did he identify him as Joseph Wong?

8 A. He didn't.

9 Q. Let's talk about the search of Hailong's house. You only
10 found bank cards in his own name there; is that correct?

11 A. I personally found bank accounts in his own name,
12 correct.

13 Q. You didn't find bank cards in other people's names in his
14 possession?

15 A. I can't speak to what my colleagues did, but I personally
16 didn't find those.

17 Q. You only found identification in his own name; is that
18 correct?

19 A. Yes, correct.

20 Q. No fake passports?

21 A. Not to my knowledge.

22 Q. No fake IDs?

23 A. Not to my knowledge.

24 Q. You found no drugs?

25 A. No.

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~~Shi - Cross - Ni~~

1 Q. You found no guns?

2 A. No.

3 Q. You found no bank statements of other people's bank
4 accounts?

5 A. I personally didn't find any bank statements.

6 Q. You testified earlier that Hailong told you that he
7 deleted all of his chats with Joseph Wong and blocked him when
8 they didn't pay him. Did you review Joseph Wong's phones?

9 A. I personally didn't review his phones.

10 Q. You don't know whether or not the government has in its
11 possession Joseph Wong's WeChat records with Hailong, do you?

12 A. I personally don't know. You'd have to ask the case
13 agent.

14 Q. Let's talk about your interrogation of Mr. Hailong. You
15 were born in China, and you came here at the age of four; is
16 that correct?

17 A. That's correct.

18 Q. And you testified yesterday you were fluent in Chinese
19 and you speak at home regularly and you spoke it with your
20 parents; is that correct?

21 A. Correct. I testified that I'm conversationally fluent in
22 Chinese and I speak it at home.

23 Q. And you can -- you attended Chinese language school for
24 ten years; is that right?

25 A. Correct.

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1 Q. Where you learned to speak, read, and write; is that
2 correct?

3 A. Correct.

4 Q. And you can read and write Chinese today?

5 A. No. I'm a bit out of practice in reading and writing,
6 but I can speak Chinese.

7 Q. If I were to put some Chinese language text in front of
8 you, would you be able to recognize some of it?

9 A. I wouldn't be able to recognize the Chinese characters,
10 but I can read -- I can recognize and read Chinese pinyin, which
11 is a phonetic way of speaking Chinese, and it's the way that
12 people commonly type on their keyboards on their phone.

13 Q. Understood. Would you mind speaking up a little bit
14 more? It's hard for me to hear you.

15 A. Sure.

16 Q. And if I were to read Chinese to you, just directly, you
17 would be able to understand it?

18 A. Correct.

19 Q. In your interrogation, it was obvious that Hailong does
20 not speak any English, correct?

21 A. Little to no English, correct.

22 Q. And you spoke to him exclusively fluent in Chinese?

23 A. I'm sorry, can you repeat that?

24 Q. And you spoke to him exclusively in Chinese?

25 A. Yes, in Mandarin Chinese.

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~~Shi - Cross - Ni~~

1 Q. And you had no trouble understanding him?

2 A. I could understand fine, for the most part.

3 Q. You testified yesterday and today that he told you he was
4 being promised \$70,000 but only got \$20,000 -- that's page 7 of
5 Government's Exhibit 15-2B -- is that right?

6 A. Correct. That is correct, he was promised \$70,000, but
7 he had got around \$20,000.

8 Q. And you testified that he told you they were telling him
9 that he would get paid in a month or so and didn't pay him --
10 that's lines -- at page 14 of Government's Exhibit 15-2B -- is
11 that right?

12 A. I'm sorry, can you repeat? You said that a little bit
13 fast.

14 Q. So take a look at page 14 of Government's Exhibit 15-2B.

15 A. Okay.

16 Q. You testified that this was him telling you that the
17 people he was working with told him he would get paid in a month
18 or so, didn't pay him; is that right?

19 A. Correct.

20 Q. That's also on page 16, line 737 --

21 A. Correct.

22 Q. -- where he said, "Later, I realized -- I didn't get --
23 later, I realized that this was not a legitimate thing --
24 later -- they didn't give me the money, I didn't get any money,"
25 right?

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1 A. (No response.)

2 Q. Do you understand that, essentially, what he was trying
3 to convey to you was that he was being scammed by these people
4 when he didn't get paid?

5 A. I think these people did scam, but I think he was also
6 trying to get the money that they promised him.

7 Q. Can you say again?

8 A. I think these people did scam him by not giving him the
9 entirety of the money he was promised, but I also think that his
10 greed, he decided to open up more bank accounts even after the
11 fact he realized that this was the wrong thing to do; even after
12 the fact that he repeatedly sought reassurances from the people
13 he worked with that this was legal; even after the fact that the
14 people he worked with told him that, Hey, you will lose all
15 credibility with the banks if you do this, you will go bankrupt;
16 in the future, you will only be able to use cash.

17 So, yes, he was scammed, but I think, also, he kept
18 opening accounts because he wanted to get all the money he was
19 promised.

20 Q. I want to zoom in on that a little bit. So you believe
21 that he was scammed?

22 A. I believe that he didn't get all the money that his
23 recruiters promised him.

24 Q. Let's talk about your understanding that he continued to
25 do things for these people out of greed, you said, right, even

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1 after he realized he was doing something illegal; that's your
2 understanding?

3 A. Yes.

4 Q. Maybe let's zoom in on lines 786 to lines 791. Is this
5 an example of an exchange where you came to understand from the
6 exchange that he was admitting to knowing he was doing something
7 illegal?

8 A. Yes. This is when the defendant told me that around --
9 during October/November of 2022, he realized that what he was
10 doing was against the law.

11 Q. And that's 786?

12 A. Correct.

13 Q. And 787?

14 A. Correct.

15 Q. Where in English -- well, the English transcription is --
16 you just told us that 2022, around October and November, when
17 you realized that the business, the thing you were doing, was
18 against the law, illegal, right?"

19 And your response, 787, is "Right"; is that correct?

20 A. Correct.

21 Q. You can't read the Chinese text, the transcription of
22 what you asked him, can you, in 786?

23 A. I can't read the Chinese characters of what I asked him,
24 correct.

25 Q. Can I read them to you?

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~~Shi - Cross - Ni~~

1 **A.** Yes.

2 MS. SCHWARTZ: Objection, Your Honor. This translation
3 was done by the linguist who was on the stand yesterday, and the
4 defense raised no objection to the way the linguist translated
5 what the conversation was, and so this is an inappropriate
6 question.

7 MR. NI: Your Honor, he testified he speaks Chinese
8 fluently. He was communicating with this guy. He's using the
9 English translation, and I want him to read his own Chinese
10 statement to him. He speaks Chinese.

11 THE COURT: I'll overrule the objection, but we have to
12 stay focused on asking questions and answering questions. So if
13 you have a question, ask it; if he can answer it, he'll answer
14 it.

15 MR. NI: I won't translate the Chinese text.

16 BY MR. NI:

17 **Q.** So, Agent Shi, I'm going to read exactly what you said to
18 him in Chinese to you, and you tell me if the words "the thing
19 you were doing" is in the Chinese.

20 (Foreign language spoken.)

21 **A.** I'm sorry, are you reading from the very beginning?
22 because in the beginning, it says (foreign language spoken).
23 Are you reading my -- are you reading from the very beginning,
24 or are you starting from the middle somewhere?

25 **Q.** So you can read it?

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1 A. I can read some characters here and there.

2 Q. I'll work with you.

3 A. Okay.

4 Q. I'll start at the beginning. (Foreign language spoken).

5 So my question is, in the section that corresponds to
6 "the thing you were doing," is the words "the thing you were
7 doing" in there?

8 A. It is.

9 Q. How is it in there?

10 A. It's in here because I said (foreign language spoken),
11 (foreign language spoken), which means "the thing." That's what
12 (foreign language spoken) means. It means "the thing,"
13 referring to the fraud that he was committing.

14 Q. Is the word "you" --

15 MS. SCHWARTZ: Objection, Your Honor. Our agent is not
16 the one that we certified as a linguist.

17 THE COURT: I'm going to sustain the objection. This
18 is not going to be a Chinese language lesson for the jury. We
19 need to focus on what we're doing here at the trial.

20 You can continue, Mr. Ni.

21 Objection sustained.

22 BY MR. NI:

23 Q. Let me skip to something that's, perhaps, a little more
24 straightforward. You testified that the text between 786
25 through 791 meant that he was admitting to doing something

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1 illegal, is that right; he kept doing it because --

2 **A.** I asked him if he realized what he was doing was illegal
3 during October/November 2022, if it was illegal, why he
4 continued opening up bank accounts for his recruiters after that
5 date when he realized it was wrong, and he said it was because
6 they promised him \$5,000.

7 **Q.** Can you take a look at Government's Exhibit 15-2A,
8 please, the complete transcript?

9 THE INTERPRETER: Is the exhibit on the monitor?

10 THE COURT: Are you asking about the exhibit?

11 THE INTERPRETER: Yes.

12 MS. SCHWARTZ: We would object to that being shown,
13 Your Honor. It hasn't been admitted into evidence.

14 THE COURT: No, no, I think the interpreter just wants
15 to make sure she's understanding what's happening. And I'm not
16 sure what's happening either, so it's a good question.

17 Does the interpreter need a copy of this exhibit,
18 Mr. Ni?

19 MR. NI: Maybe. I don't know if it's better for her to
20 translate, but I guess not. I'll just read from it.

21 THE COURT: Well, that's improper. Go ahead and ask
22 your question and see whether there's anything that can be done
23 here.

24 BY MR. NI:

25 **Q.** Mr. Shi, would you mind looking at -- the government's

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1 exhibit ends at line 791; is that right?

2 A. I'm not on that page, but if you say so.

3 Q. It's page -- it's the last page of -2B.

4 A. Yes, 791.

5 Q. And you said -- you testified that that segment of the
6 interrogation revealed to you that he admitted that he knew what
7 he was doing at the time was illegal.

8 A. Yes, he admitted to me that he knew what he was doing was
9 wrong.

10 Q. And if you take a look at page 68 of the full transcript,
11 literally, the next line, can you -- the next two lines
12 immediately following 791, where the government's transcript
13 ends. My question is, didn't you explicitly ask him if he knew
14 what he was doing was illegal?

15 A. Which line are you referring to?

16 Q. 792 and 793.

17 A. 792, I asked him if he knew it was illegal.

18 Q. Yeah, so can you read those two lines for me?

19 MS. SCHWARTZ: Objection, Your Honor; this is hearsay.

20 MR. NI: Your Honor --

21 THE COURT: Ask your question directly and let him
22 answer it directly. If the point you're trying to make is that
23 the government has chosen to stop at one point and there's
24 something else that's relevant that happened later, just ask the
25 question. We don't need to go through what's on the paper.

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1 MR. NI: Understood.

2 BY MR. NI:

3 Q. Mr. Shi, didn't you ask him explicitly whether he knew
4 what he was doing was illegal, and didn't he deny it to you?

5 MS. SCHWARTZ: Objection, Your Honor. His response
6 would be hearsay.

7 THE COURT: Overruled.

8 THE WITNESS: I asked him at the start of the interview
9 whether or not he knew what he was doing was illegal and wrong.
10 He said, I didn't know that was illegal at first, but after,
11 during October/November 2022 when I wasn't being paid the money,
12 he knew what he was doing was wrong, he knew something was wrong,
13 but he continued to open more bank accounts because he wanted the
14 money that he was promised; he wanted the money that they said
15 that they would give him but that they didn't.

16 BY MR. NI:

17 Q. Mr. Shi, my question is very limited to where the
18 government's transcript ends and the next two lines immediately
19 afterwards where the government's transcript ends. Did you or
20 did you not ask him explicitly whether he knew what he was doing
21 was illegal, and didn't he deny it; yes or no?

22 A. I asked him if he knew it was illegal, and he said, No, I
23 didn't know at the time.

24 Q. I want to go back to your overall understanding that he
25 was trying to communicate he knew something was wrong and still

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1 did it anyway for money. Earlier, you testified you had no
2 trouble understanding him at all; is that right?

3 **A.** I didn't say I had no trouble. I said that I could
4 understand him fine, for the most part.

5 **Q.** But didn't you say in the transcript -- when you were
6 interrogating him, you said to him that, I'm sorry, my Chinese
7 is not very good, didn't you?

8 **A.** Which line are you referring to?

9 **Q.** You said it a couple of times: Line 83, page 10, and
10 line 211, page 20.

11 **A.** I did. I do recall telling him that my Chinese isn't the
12 best, isn't that of a native speaker, but we were able to
13 understand each other just fine, and we went back and forth and
14 were able to understand each other.

15 **Q.** And didn't you conclude, even while you were
16 interrogating him, that you couldn't nail down whether or not he
17 was saying he knew he was doing something illegal?

18 **A.** I don't recall, but which line are you referring to?

19 **Q.** Can you take a look at line 796, please, of the
20 transcript, just the next page after -- page 69; do you see
21 that?

22 **A.** I do. I'm reading it. Yes.

23 **Q.** So my question is, right after that exchange where you
24 asked him if he knew what he was doing was illegal, and he said
25 no, you concluded on the transcript that you couldn't nail him

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1 down with this issue; isn't that right?

2 **A.** I believe what you are referring to is -- this was after
3 he admitted to me that he realized during October/November of
4 2022, he realized that what he was doing was wrong and that it
5 was illegal; and then when I asked him, Hey, if you knew during
6 this time it was illegal, how come afterwards, you kept on still
7 opening up bank accounts? And then he told me, I didn't know it
8 was illegal. So he backtracked on his initial answer, and so we
9 went back and forth on that a few times, and that's when I told
10 my colleague Chris, Hey, we have to nail down the timeline, we
11 have to nail down why he keeps on contradicting himself. I
12 think that's what you are referring to in that line.

13 **Q.** Mr. Shi, did you prepare for your testimony with the
14 U.S. Attorney's Office?

15 **A.** I did.

16 **Q.** And during your preparation, did they tell you that the
17 linguist that translated your interrogation identified a
18 critical fundamental misunderstanding between you and Hailong
19 during your interrogation?

20 **A.** I wasn't aware of that.

21 **Q.** So the U.S. Attorney's Office never told you that the
22 linguist had identified an issue?

23 **A.** Identified critical -- a critical language issue? I
24 wasn't aware of that.

25 **Q.** Yes. I don't know if you can remember this, but I can

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1 show you the email where he identifies it.

2 **A.** Sure.

3 MS. SCHWARTZ: Objection. I don't even know what he's
4 showing.

5 MR. NI: Sorry, I'm giving a copy to --

6 THE COURT: Are you refreshing his recollection?

7 MR. NI: Your Honor, yes.

8 MS. SCHWARTZ: Objection, Your Honor. First, I would
9 just like to see it before he's handed it and, perhaps, a second
10 of the Court's indulgence just to review what he's looking at.

11 THE COURT: All right.

12 (Whereupon, there was a brief pause in the
13 proceedings.)

14 MS. SCHWARTZ: Objection, Your Honor. This document
15 he's trying to refresh recollection never went to the witness, so
16 it's an improper tool to refresh his recollection because he's
17 never seen it.

18 THE COURT: Well, refreshing recollection can be done
19 by anything. That objection is overruled. It may not succeed in
20 refreshing his recollection, but it's not improper to give him
21 the opportunity to look at it.

22 BY MR. NI:

23 **Q.** So, Mr. Shi --

24 THE COURT: All right; let's keep this moving, Mr. Ni.
25 Your next question is, does that document refresh your

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1 recollection?

2 BY MR. NI:

3 Q. Mr. Shi, does this document refresh your recollection
4 about the fundamental misunderstanding between you two?

5 A. I've never seen that document.

6 MS. SCHWARTZ: Your Honor, if I may, I think counsel is
7 referring to the paragraph that we talked about before,
8 paragraph --

9 THE COURT: There's no pending question. Is there an
10 objection?

11 MS. SCHWARTZ: No, Your Honor.

12 THE COURT: Mr. Ni, ask your next question.

13 BY MR. NI:

14 Q. So, Mr. Shi, when you went to interview Hailong, he
15 agreed to speak with you voluntarily, right?

16 A. He did.

17 Q. And he sat with you for over an hour and a half?

18 A. Correct.

19 Q. He was cooperative?

20 THE INTERPRETER: The interpreter did not hear the
21 question.

22 MR. NI: Oh. He sat with you for an hour and a half?

23 THE WITNESS: Correct. Close to two hours, we talked.

24 BY MR. NI:

25 Q. He was cooperative?

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1 **A.** He was.

2 **Q.** He admitted that he opened accounts?

3 **A.** He did.

4 **Q.** He admitted that he used his own name to do so?

5 **A.** He did.

6 **Q.** He admitted that he went to Las Vegas and gambled with
7 these people?

8 **A.** He did.

9 **Q.** He admitted that he withdrew money and gave it to others?

10 **A.** Yes.

11 **Q.** All that is true, correct?

12 **A.** Correct.

13 **Q.** He also told you he wasn't being paid what he was
14 promised?

15 **A.** Correct.

16 **Q.** You understood that -- and, in fact, you believed that he
17 was scammed?

18 **A.** I believe that he wasn't given the money that they
19 promised him.

20 **Q.** But in questioning Hailong, you never asked him whether
21 he knew where the money came from that was deposited into his
22 accounts, correct?

23 **A.** I don't believe I asked that question. If I did, he
24 probably told me he did not know where the money came from, the
25 money that they handed him to deposit.

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1 Q. So your testimony is that if you asked him, he wouldn't
2 have told you where it came from because he didn't know?

3 A. I believe I might have asked him that question. I
4 believe his response -- I will have to review the record, but I
5 believe his response was, I didn't know where the money came
6 from.

7 MR. KAMENS: Court's indulgence.

8 (Whereupon, there was a brief pause in the
9 proceedings.)

10 BY MR. NI:

11 Q. You testified earlier that Hailong identified Joseph Wong
12 by the name Joseph Wong?

13 A. I don't believe so. I believe he referred to
14 Joseph Wong's Chinese name.

15 Q. So you are correcting earlier testimony; he never
16 identified Joseph Wong as Joseph Wong?

17 A. I'm not correcting it. I told you initially that he
18 identified the individual in the photo who he knows to be
19 Joseph Wong by his Chinese name.

20 Q. And do you recall what that Chinese name was?

21 A. I do not, but it's in my report. Might have been
22 (foreign language spoken), I believe, but it's in my report.

23 Q. Was it Zhen He, Z-H-E-N H-E?

24 A. That sounds correct, Zhen He, I believe.

25 Q. But he didn't identify him by the name Joseph Wong?

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1 **A.** He did not.

2 MR. NI: No further questions.

3 THE COURT: Any redirect?

4 MS. SCHWARTZ: No, Your Honor.

5 THE COURT: Thank you.

6 And is Agent Shi released at this time?

7 MS. SCHWARTZ: Yes, Your Honor.

8 THE COURT: Agent Shi, you may step down. You are now
9 released and free to go.

10 You may call your next witness.

11 (Whereupon, the witness exits the stand.)

12 MS. BEDELL: The government calls Richard Cruz, Your
13 Honor.

14 (RICHARD CRUZ, ON BEHALF OF THE GOVERNMENT, SWORN)

15 (Whereupon, the witness takes the stand.)

16 DIRECT EXAMINATION

17 BY MS. BEDELL:

18 **Q.** Good morning.

19 **A.** Good morning.

20 **Q.** Could you please state your name and spell it for the
21 record?

22 **A.** Yes. It's Richard Cruz, R-I-C-H-A-R-D; Cruz, C-R-U-Z.

23 **Q.** Where are you employed?

24 **A.** I'm employed with the United States Secret Service.

25 **Q.** How long have you worked for the Secret Service?

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1 A. Since 2018.

2 Q. What is your title there?

3 A. Network intrusion forensic analyst, otherwise known as a
4 NIFA.

5 Q. Are you assigned to a particular unit?

6 A. I currently work out of Chicago in our digital evidence
7 forensic laboratory.

8 Q. For how long have you been assigned there?

9 A. Since 2021.

10 Q. Where were you prior to that?

11 A. I was here in D.C. at the WFO, the Washington Field
12 Office.

13 Q. What work did you do prior to working for the Secret
14 Service?

15 A. I was employed with the Michigan State Police. I was a
16 road trooper in 1995. I worked five years as a road trooper,
17 and then I assisted standing up our computer crimes unit. That
18 occurred in the year 2000. And from 2000 to 2018, I was
19 assigned to that cyber -- that computer section.

20 Q. You stated that you are a NIFA; what does that job
21 entail?

22 A. It's a digital forensic analyst. It's the extraction
23 processing and analyzing of data.

24 Q. Do you receive training for that role?

25 A. Yes.

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1 Q. What's that?

2 A. My training began in 2000. Since then, I have attended
3 numerous trainings, thousands of hours in data extraction,
4 processing, analysis of phones, computers, vehicles, et cetera.

5 Q. Are you familiar with the system GrayKey?

6 A. I am.

7 Q. And what is that?

8 A. It is a data extraction device.

9 Q. And what sort of data are you extracting from what?

10 A. From GrayKey, we'll extract data from iPhones and Android
11 phones.

12 Q. And how do you use GrayKey?

13 A. It's rather easy. You connect the device to GrayKey.
14 GrayKey detects what's connected to it and advises what you can
15 do with that device. There are different types of extractions
16 you can do depending on the phone that you have, and you select
17 the type of extraction that you want, and it extracts the data
18 and places that data in a file that we can then use to process.

19 Q. Okay. And does GrayKey let you know if the extraction
20 was successful?

21 A. It does. If there's an issue or an error, there's a log
22 file. There's visual queues on the screen. It will advise you
23 that there were issues, yes.

24 Q. When GrayKey generates its extraction, is that readable
25 to a human?

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1 **A.** It is not. There's stuff that is readable, but it's not
2 very friendly in terms of looking at it and really knowing what
3 you're looking at.

4 **Q.** So once you have that extraction, what do you do to make
5 it more user friendly?

6 **A.** Once we have the data extraction, we use something to
7 process it, either like Magnet AXIOM or Cellebrite's physical
8 analyzer.

9 **Q.** And Magnet AXIOM and Cellebrite, do those work similarly?

10 **A.** They do, yes.

11 **Q.** And how do they work?

12 **A.** They work in the sense that you point the application at
13 a data extraction; it reads the data extraction; it ingests it;
14 it detects what's there; and it parses data that it knows what
15 to look for, for example, digital images or text messages or
16 phone calls. It parses that information out, and then it puts
17 it in a human readable format to be able to review.

18 **Q.** Do they have methods for confirming the accuracy of their
19 parsing?

20 **A.** They do. There are, again, visual queues if there are
21 issues. Part of the process as well is hashing the data. When
22 we perform the original extraction, there's a calculation that's
23 made on that data, and it's a very large alpha numeric number.
24 And when it's finished, it provides that to the examiner, and we
25 use that to ensure the integrity of that data. At any time, we

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1 should be able to run that data through a program and be able to
2 retrieve that same hash value. That just ensures to us that
3 that data has never changed from the point that we took the
4 extraction to today.

5 Q. If there is an error, what does the program return?

6 A. Again, a lot of times, it will be a visual queue. If
7 it's unable to parse something at times, it will just not
8 include it in the report. It just won't be something that you
9 see.

10 Q. But it won't just make up data?

11 A. No, it does not make up data, no.

12 Q. Do you have any experience imaging and analyzing SIM
13 cards?

14 A. I do.

15 Q. What is a SIM card?

16 A. A SIM card is a -- it's a small electronic card that is
17 used in mobile devices, and it contains information which allows
18 that mobile device to connect to a cellular network.

19 Q. Which would you use to image a SIM card?

20 A. Usually, I would use UFED 4PC.

21 Q. Can you explain the process for analyzing a SIM card?

22 A. It's much like a phone. We have a reader which is
23 connected to a computer that is running the Cellebrite software;
24 connect the SIM into the reader. Cellebrite detects that the
25 SIM card is present. It reads the data from the SIM and places

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1 it in a folder. Unlike the data from the phone, which has to be
2 processed and put in human readable form, the process of looking
3 at the data from a SIM, it's seamless. It reads the data, and
4 it places it into a human readable format for you right away.

5 Q. What kind of data can you retrieve from a SIM card?

6 A. You can retrieve -- there's a unique number assigned to
7 the SIM, known as an ICCID. There's information such as that.
8 There's what's called an MSISDN, which is a multi [sic] station
9 international subscriber directory number, otherwise known as a
10 telephone number.

11 MS. BEDELL: Your Honor, the United States now moves to
12 qualify NIFA Cruz as an expert in instructing, parsing, and
13 analyzing data from cell phones and SIM cards.

14 MR. WENSTRUP: No objection, Your Honor.

15 THE COURT: He would be so qualified without objection.

16 BY MS. BEDELL:

17 Q. I would like to move to discussing the present case; how
18 did you come to be involved in this case?

19 A. I was in the office, and I was asked if I would be
20 available to extract data from a phone.

21 Q. And what role have you played in the case then?

22 A. It was that exactly: Receiving the phone, extracting the
23 data from the phone, placing it into a human readable format,
24 placing that on a -- and turning that back over for the
25 investigators.

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1 Q. So once you created the extraction in a readable format
2 of the extraction, did you review that extraction yourself for
3 the phone?

4 A. Yes. I browsed through it and made sure that there were
5 no issues with it. I don't want to hand something off to an
6 investigator that they can't get into in case there are issues.
7 So, sure, I did, yes.

8 Q. So quality control, but not substantive review?

9 A. Yes.

10 Q. Did you review the report for the SIM cards in this case?

11 A. Yes, I did, yes.

12 Q. Could you take a look at Exhibits 9-1 and 9-5, which are
13 actually together? I'm sorry, it's a physical object -- I'm
14 sorry, a cell phone, physical object.

15 Do you recognize these items?

16 A. I recognize the bag. Yes, this is the phone which I
17 extracted data from that day.

18 Q. And how do you recognize it?

19 A. I photographed the phone. I recall the phone, the case,
20 the SIM card on the case; and the label that's on the phone was
21 placed there by myself.

22 Q. So is there -- does the phone currently have a SIM card
23 or SIM cards associated with it?

24 A. Yes, there would be a SIM card in it, and there's another
25 SIM card on the back of the case.

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1 Q. And when you received that SIM card that's not inside the
2 phone, where was that when you --

3 A. When I received the phone, the phone was just a phone.
4 Our analysis requires us to remove the SIM card that's in the
5 phone, and I did that; and what I had noticed was, between the
6 phone itself and the case, this SIM card was between the phone
7 and the case.

8 Q. And did you create extractions of this phone and those
9 SIM cards?

10 A. Yes, I did.

11 Q. And you used the processes for imaging phones and SIM
12 cards that you discussed earlier?

13 A. Yes.

14 Q. And were you able to identify the phone numbers
15 associated with these two SIM cards?

16 A. I did, yes.

17 Q. And what were they?

18 A. One telephone number was 1 (312) 493-4646, and the other
19 telephone number was 1 (773) 828-1816.

20 Q. Okay. I'd like to direct you to a report for another one
21 of the phones seized in this case.

22 MS. BEDELL: Your Honor, at this point, I would like to
23 read one of the paragraphs from one of our stipulations.

24 "The following exhibits are true and accurate
25 depictions of data extracted from the iPhone 12 Pro Max at

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1 Exhibit 5-1, through the use of GrayKey, a reliable forensic
2 access tool, that extracted data from the cell phone."

3 Those exhibits are 5-2, 5-3, 5-4, 5-5, 5-7, 5-9, and
4 5-15. At this point, I would move to admit those exhibits.

5 THE COURT: Any objection?

6 MR. WENSTRUP: No objection.

7 THE COURT: They will be admitted without objection.

8 (Government's Exhibit Nos. 5-2, 5-3, 5-4, 5-5, 5-7, 5-9
9 and 5-15 received in evidence.)

10 BY MS. BEDELL:

11 Q. Could we take a look then at Exhibit 5-2? That's in the
12 binder. And what is this document?

13 A. This is what is produced from Cellebrite.

14 Q. And what phone is this report -- this particular report
15 for?

16 A. This is for an iPhone 12 Pro Max.

17 Q. Now, to clarify, you did not create the image of this
18 phone?

19 A. I did not.

20 Q. But you're familiar with these reports?

21 A. I am. This is produced by Cellebrite. Yes.

22 Q. And so you're familiar with the data that's generally in
23 these reports?

24 A. Yes, I am.

25 Q. And so does this look to you like a fairly typical type

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1 of report for this phone?

2 A. Very.

3 Q. Do you see on this report that, when it provides a time,
4 it says UTC+0?

5 A. Yes.

6 Q. What does UTC mean when it appears in front of data?

7 A. UTC is a universal coordinated time, otherwise a
8 Greenwich Mean Time. Here, what where we are right now, we're
9 in the eastern time zone. We're currently four hours from UTC.
10 This means that there has been no alteration made to the dates
11 and times in this report; that they are UTC time.

12 Q. Further down the page, it lists MSISDN, you testified
13 that that's essentially the phone number?

14 A. Yes.

15 Q. So this is assigned to a SIM card and not a phone, just
16 in general, the MSISDN?

17 A. Yes.

18 Q. And is it possible to tell if a device has used multiple
19 SIM cards?

20 A. Yes. The software -- again, depending on the make and
21 model of the device. But, yes, the phone will store that
22 information, and the software that we use will read that
23 information and provide that to you in the report, the
24 additional telephone numbers that that phone has used.

25 Q. Taking a look at the heading "physical SIM," there's a

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1 line MSISDN a little bit above that and a couple below, is that
2 an indication -- with different numbers -- is that an indication
3 that this phone has used multiple SIM cards at different times?

4 **A.** Yes.

5 **Q.** I will just ask you some general questions about the sort
6 of data that might be pulled from a phone.

7 Let's say that you locate a picture that was on a phone,
8 how can you know where the picture was stored on that device?

9 **A.** There will be a folder system or -- the file would have a
10 name. The file itself will be in a folder. And so when the
11 data is parsed and the information about that photo is provided,
12 it will be part of a file name and within a folder naming
13 convention.

14 **Q.** What does DCIM indicate if it is in that file path?

15 **A.** That file path is a common file path for photos that have
16 been taken by that device.

17 **Q.** And are there other ways that you might know if a photo
18 has been taken with a specific device that it was found on?

19 **A.** Aside from where it's located, there's metadata within
20 that file. You have the file itself; and in that file is data
21 for the image. Well, with that is also metadata, and that
22 metadata will include information such as when the photo was
23 taken, the aperture setting of the phone, whether a flash was
24 used and fired off, the size -- the size of the actual photo
25 itself. Sometimes you can get latitude and longitude and serial

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1 numbers. But, yeah, there's metadata as well as what took the
2 photo, whether it was an iPhone or an Android phone.

3 Q. Could the name of the file give any indication about
4 whether it was likely taken with that device?

5 A. It can be an indication, yes. Different phones have
6 different methods of naming files, and the iPhone uses a
7 convention, and it names the images sequentially. It begins --
8 I'm not sure what it begins with, but when it names it, it's
9 sequential. You'll see img_1023, img_1024, img_1025. So those
10 will be sequential.

11 Q. And if an image or a video doesn't have this metadata
12 associated with it, what might that mean?

13 A. It could mean -- it could mean several things. One, it
14 could just be a format that doesn't have metadata, doesn't
15 provide metadata. Many times when files are sent using
16 applications, like texting applications or any applications or
17 things over the internet, a lot of times, that metadata will be
18 stripped out for security and privacy.

19 Q. And then backing up a second, if you see a file that
20 includes the file path SplashBoard/Snapshots, what does that
21 signal?

22 A. That's -- on iPhones, when you're in an application and
23 you either close that application -- I'll use the term "swipe it
24 away" or "move it away," you get into another application or
25 even lock the phone. The iPhone, the operating system will take

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1 a snapshot of whatever application it was that they were using.
2 That's for user experience. When you go and you look at your
3 open applications, rather than it showing you the actual
4 application, it will show you that snapshot, and then you can
5 see which one you want to get into. You say, Okay, there's
6 where I want to get into, and you press it.

7 So it's a photo that's taken by the operating system, not
8 controlled by the user at all, taken by the operating system,
9 and it's just a snapshot of the way that that application
10 existed when you did something with it, got into another
11 application or whatever.

12 Q. What is a .heic file?

13 A. That is a -- it's an image file. Apple started using it
14 a few models ago -- iPhone models ago, and it is very similar to
15 like a PMG or a JPEG image. It's just another file format that
16 Apple uses, and it's capable of storing still images as well as
17 auto and video.

18 Q. And what is a .mov file?

19 A. A video file.

20 Q. What might it mean if an image is labeled "recently
21 deleted"?

22 A. When --

23 THE INTERPRETER: Repeat.

24 MS. BEDELL: What might it mean if an image is labeled
25 "recently deleted"?

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1 **A.** When a file is deleted, many times, it's not deleted
2 right away; the phone will maintain that file, whatever has been
3 deleted, and hang onto it. And then at a time that it deems it
4 wants to delete it, it will delete it. So a recently deleted
5 file is exactly that; it's a file which has been deleted, may or
6 may not be accessible or visible to the user any longer. The
7 software detects that it's there and says it's recently deleted.
8 At some point, the operating system will flush that file and
9 delete that file for good.

10 **Q.** Could that also appear if an application in which a file
11 was found was deleted even if the file itself hadn't been
12 specifically deleted? Like, say, something was -- a text
13 messaging app or a text message was deleted, would the images in
14 it, maybe, have that marking?

15 **A.** Yes. When we store files on our phone, the operating
16 system may take copies of that file and place it in different
17 folders and do different things with it, but when the original
18 is deleted or if the application is deleted, that file or a copy
19 of that file, it may exist in different parts on the phone, so
20 it will get flagged as deleted.

21 MS. BEDELL: No further questions at this time, Your
22 Honor.

23 THE COURT: Thank you.

24 Cross-examination?

25 MR. WENSTRUP: No, Your Honor.

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1 THE COURT: Very good.

2 You may step down, and you're released at this time.

3 (Whereupon, the witness exits the stand.)

4 MS. BEDELL: Your Honor, at this time, we call Special
5 Agent Chris Saunders.

6 MR. KAMENS: When does the Court plan to take a break?

7 THE COURT: I thought maybe we could take a break a
8 little bit early since we started at 9:00, but, perhaps, we could
9 try and get through the direct examination or go till 10:30 or
10 10:45. Is that agreeable?

11 (Jurors nod.)

12 MR. KAMENS: Thank you, Your Honor.

13 (CHRISTOPHER SAUNDERS, ON BEHALF OF THE GOVERNMENT, SWORN)

14 (Whereupon, the witness takes the stand.)

15 DIRECT EXAMINATION

16 BY MS. BEDELL:

17 Q. Good morning. Could you please state your name and spell
18 it for the record?

19 A. Christopher Saunders, C-H-R-I-S-T-O-P-H-E-R
20 S-A-U-N-D-E-R-S.

21 Q. Where do you work?

22 A. At the United States Secret Service.

23 Q. How long have you been with the Secret Service?

24 A. About five years.

25 Q. What is your title there?

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1 A. Special agent.

2 Q. What unit are you assigned to?

3 A. I'm out of our headquarters in the global investigative
4 operations center.

5 Q. How long have you been with that unit?

6 A. Close to two years.

7 Q. What are your duties in that role?

8 A. We support field offices with large cases and work cases
9 that have an international nexus.

10 Q. Have you received training for your job?

11 A. I have.

12 Q. What's that?

13 A. I've received basic law enforcement training at the
14 Federal Law Enforcement Training Center. I've received Secret
15 Service training. I've received training in cryptocurrency
16 through Chainalysis, and cyber training as well.

17 Q. Where were you assigned prior to your current position?

18 A. At the Washington Field Office with the Secret Service.

19 Q. Where did you work before you joined the Secret Service?

20 A. At Department of Commerce.

21 Q. What is your educational background?

22 A. I have an undergrad in accounting, a master's in
23 accounting, and I'm a CPA.

24 Q. Are you the lead case agent assigned to this case?

25 A. I am.

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1 Q. How did the Secret Service first become involved in this
2 case?

3 A. Our field offices were receiving a lot of cryptocurrency
4 scam reports, and we got involved in investigation around some
5 of the fake websites.

6 Q. Was there a particular website that came to your
7 attention relatively early in the process?

8 A. Yes, there was. The website was SIMEX, S-I-M-E-X.

9 Q. Did you visit the SIMEX website?

10 A. I did.

11 Q. Did you engage in an undercover operation on that
12 website?

13 A. I did.

14 Q. Could you take a look at Exhibit 16-2, please?

15 A. Okay.

16 Q. Do you recognize this exhibit?

17 A. I do.

18 Q. What is it?

19 A. This is the home page of one of the SIMEX fake websites.

20 Q. And did you -- does the exhibit contain other images --
21 are there screenshots of other pages within that website?

22 A. Yes, it does.

23 Q. And are these screenshots a fair and accurate
24 representation of what the website looked like?

25 A. They are.

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1 MS. BEDELL: At this point, we would move to admit and
2 publish 16-2.

3 MR. WENSTRUP: No objection.

4 THE COURT: Admitted without objection.

5 (Government's Exhibit No. 16-2 received in evidence.)

6 (Exhibit published.)

7 BY MS. BEDELL:

8 Q. So what are we looking at here?

9 A. This is the home page of the fake SIMEX website. It
10 mimics the Singaporean international monetary change.

11 Q. What is the website address here?

12 A. This one is simexlua.com.

13 Q. Were there other websites that had similar SIMEX-related
14 names?

15 A. Yes, there were. There were at least seven of them, and
16 they just changed last three letters, so they would have SIMEX
17 and then a different three letters, and they were all the exact
18 same website.

19 Q. So taking a look at this screenshot, then, is there an
20 "about" tab here?

21 A. There is.

22 Q. And did you visit that tab?

23 A. I did.

24 Q. What did you find there?

25 A. We found that this website had pulled language from the

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1 Singaporean -- website.

2 Q. So it was pulled from the real crypto -- website?

3 A. Yes.

4 Q. Did you visit the registration page on this page?

5 A. I did.

6 Q. Could we turn to page 2 of the exhibit? And is this the
7 registration page?

8 A. Yes, it is.

9 Q. What did you do from here?

10 A. From here, I used an undercover profile and created an
11 account.

12 Q. And could you turn to page 3, please? What is this?

13 A. After you create an account, when you go to execute
14 trades and make investments, the website provides you with a
15 deposit address. You can choose between USDC, which is -- which
16 mimics the U.S. dollar. You can choose between Bitcoin and a
17 couple other cryptocurrency coins.

18 Q. Did you invest through this route?

19 A. I did.

20 Q. Did you ever get your money back?

21 A. I did not.

22 Q. Did you also access a SIMEX website on your phone?

23 A. I did.

24 Q. And do you remember the name of that particular website?

25 A. Simexwim was the mobile version of this particular

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1 website.

2 Q. And when you were on the mobile version, at some point,
3 did you begin speaking to customer service?

4 A. I did.

5 Q. And why did you do that?

6 A. Because I had had some interviews with some of the other
7 victims who said that that's where they were receiving some of
8 their instructions.

9 Q. And what did you discuss with customer service?

10 A. I discussed with customer service how to make an
11 investment via bank wire.

12 Q. Could you look at Exhibit 16-4, please?

13 A. I'm there.

14 Q. Do you recognize this exhibit?

15 A. I do.

16 Q. What is it?

17 A. This was their response to me asking -- or me informing
18 them I'd like to make a ten -- maybe I said a \$9,000 investment.
19 I don't recall the exact amount I told them I was going to
20 invest. I told them I would like to invest in a traditional
21 bank wire, and this is what the website gave me.

22 Q. Okay. And is this a fair and accurate screenshot of your
23 chat?

24 A. It is.

25 MS. BEDELL: At this point, we would move to admit and

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1 publish Exhibit 16-4.

2 MR. WENSTRUP: No objection.

3 THE COURT: It's admitted without objection.

4 (Government's Exhibit No. 16-4 received in evidence.)

5 (Exhibit published.)

6 BY MS. BEDELL:

7 Q. Can you describe what happened here and what information
8 you received back?

9 A. So, again, this is the wire details that simexwim online
10 customer service provided me when I requested to make an
11 investment.

12 Q. What is the name of the company that you were directed to
13 send the money to?

14 A. Sea Dragon Remodel Inc.

15 Q. What was the last four of the account number?

16 A. 5581.

17 Q. Did you investigate the website SIMEX?

18 A. I did.

19 Q. And what did you learn about who had registered it?

20 A. We learned that the registrar did the -- the registrar,
21 which is the company you go to to register a domain, was
22 PublicDomainRegistry.com, and they utilized an address of
23 hongkong123456. There was a phone number. There was an email
24 address. Anytime you register a website, the registry captures
25 some of that subscriber information, and then reports it to a

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1 public database called Whois.

2 Q. Could you look at Exhibit 16-5, which is a physical
3 exhibit, a CD --

4 MS. BEDELL: If we could request assistance with the CD
5 part of it.

6 BY MS. BEDELL:

7 Q. -- and then, also, there's a paper part.

8 While we're working on the CD, do you recognize the paper
9 portion of the exhibit?

10 A. I do.

11 Q. What is that?

12 A. This is the full list of websites that were linked to the
13 same identifiers as SIMEX.

14 Q. What is contained on the CD, once you have a chance to
15 take a look at it?

16 A. What's contained on this CD is, this report came from a
17 tool that we use called "domain tools," and so the CD contains
18 an Excel spreadsheet that has these domains plus the subscriber
19 information next to it.

20 Q. And so all of that data is publicly available
21 information?

22 A. Correct.

23 MS. BEDELL: At this point, we would move to admit and
24 publish 16-5.

25 MR. WENSTRUP: No objection.

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1 THE COURT: It's admitted without objection.
2 (Government's Exhibit No. 16-5 received in evidence.)
3 (Exhibit published.)

4 BY MS. BEDELL:

5 Q. This one has a lot of words on it, but do the SIMEX
6 domains appear on this list?

7 A. They do.

8 Q. And did you visit any of these other websites?

9 A. I did.

10 Q. And did you find any that were similar to the SIMEX site?

11 A. Yes.

12 Q. And how so?

13 A. Well, the subscriber information from the registrar was
14 the same, but just the website layout looked the same. They all
15 had a feature to chat with online customer service. It was
16 typically that green button in the bottom right of the
17 home screen. You click on that, and then a box pops up and you
18 can start chatting.

19 Q. So we've looked at a number of bank materials today, and
20 I'm going to cover a few additional points.

21 MS. BEDELL: But before that, Your Honor, I'd like to
22 read into the record Stipulation No. 12.

23 "The United States and the defendant, Hailong Zhu,
24 stipulate and agree that at all times relevant to this case, the
25 deposits at JPMorgan Bank Chase, N.A., ("JPMC"); Bank of America,

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1 N.A.; Manufacturers and Traders Trust Company, ("M&T Bank");
2 Lakeland Bank; U.S. Bank N.A.; Wells Fargo Bank, N.A.; and SoFi
3 Bank, N.A., including their main offices and domestic branch
4 offices, were insured by the Federal Deposit Insurance
5 Corporation ("FDIC"), and, therefore, were federally insured
6 depository institutions.

7 The United States and the defendant, Hailong Zhu,
8 further stipulate and agree that the exhibit set forth below is
9 comprised of authentic, accurate copies of business records of
10 the FDIC that meet the requirements of Federal Rule of
11 Evidence 902(11) and 803(6)."

12 And that's Exhibit 16-13. At this point, I would move
13 to admit that exhibit.

14 MR. WENSTRUP: No objection.

15 THE COURT: It's admitted without objection.

16 (Government's Exhibit No. 16-13 received in evidence.)

17 BY MS. BEDELL:

18 Q. Have you reviewed exhibit -- or could you take a look at
19 Exhibit 16-13?

20 A. I'm there.

21 Q. Does this exhibit include certificates from the FDIC of
22 those banks' insurance that I just read off?

23 A. Yes, it does.

24 MS. BEDELL: Let's look at Exhibit 10-12.

25 (Exhibit published.)

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1 BY MS. BEDELL:

2 Q. This has already been admitted. When you have a chance,
3 let me know what that document is.

4 A. All right.

5 Q. What is this document?

6 A. This is a bank statement or credit card statement for
7 account ending 2222 in the name of Hailong Zhu at Bank of
8 America, the period August 22nd through September 21st of 2022.

9 Q. And whose credit card is this?

10 A. This is Mr. Zhu's credit card.

11 Q. So it's not a business credit card?

12 A. Correct.

13 Q. And what is the address on the account?

14 A. The address is 1140 South El Molino Street, Alhambra,
15 California.

16 Q. Did you review other months of this statement?

17 A. Yes, I did.

18 Q. What address appeared on prior statements?

19 A. It was an Illinois address.

20 Q. Did you find other evidence that Zhu lived at 1140 South
21 El Molino Street?

22 A. Yes, I did.

23 Q. What evidence was that?

24 A. In his phone, we also saw an image of an Edison Power
25 bill. My understanding is Edison Power is the power utility

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1 company that services this area, and his name was on it with the
2 address.

3 Q. And if we could look at page 3 of this exhibit; what are
4 we looking at here?

5 A. This is a listing of transactions -- credits and
6 purchases -- for the period of August 22nd through September 21,
7 2022.

8 Q. And what is listed for the two charges on September 9th?

9 A. September 9th is -- there's a California Secretary of
10 State for \$355, and then another California Secretary of State
11 for \$25.

12 MS. BEDELL: Could we look at Exhibit 10-9, please?

13 (Exhibit published.)

14 BY MS. BEDELL:

15 Q. This has been admitted, but could you just refresh on
16 what this exhibit is?

17 A. You said 10-9?

18 Q. 10-9.

19 A. This is a Bank of America statement, Hailong Zhu's
20 personal account ending 6689, for the period of September 28th
21 to October 22nd of 2021.

22 Q. And have you reviewed these statements?

23 A. I have.

24 Q. When was this account opened?

25 A. This account was -- looks like it appears to be opened on

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1 September 28th of 2021.

2 Q. And what did the spending pattern look like for the first
3 year after this account was opened?

4 A. It was relatively low.

5 Q. In the sense that it wasn't high dollar amounts?

6 A. Correct, yes.

7 MS. BEDELL: Could we look at Exhibit 10-10?

8 (Exhibit published.)

9 BY MS. BEDELL:

10 Q. What is this document?

11 A. This is the same bank statement that we just looked at
12 ending in 6689, but for the period October 25th to November 22nd
13 of 2022.

14 MS. BEDELL: And can we look at page 3 of this exhibit,
15 please?

16 BY MS. BEDELL:

17 Q. And can you describe any significant transaction activity
18 during this period and the deposits and withdrawals?

19 A. Yeah. On 10-27 of '22, there's a teller transfer of
20 30,000. On 10/28, there's a counter credit of 2,800; on 10/31,
21 there's an ATM deposit of 2,000.

22 Q. And let me jump in. So you said there was a 10/27
23 deposit of 30K. Does there appear to be a sort of similar
24 transaction going out of the account also on October 27th?

25 A. Yes.

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1 Q. Could you flag that, please?

2 A. Yeah. On 10/27, there's a customer withdrawal of 30,015.

3 Q. And what happens in the account this month?

4 Let me rephrase that question. Was this activity
5 consistent with what you had seen in the prior months?

6 A. No, not at all.

7 Q. And how did it differ?

8 A. The dollar values were much higher.

9 MS. BEDELL: Could we look at Exhibit 10-11?

10 (Exhibit published.)

11 THE WITNESS: I'm there.

12 BY MS. BEDELL:

13 Q. What is this document?

14 A. This is the same personal Bank of America account ending
15 in 6689 for the period November to December of 2022.

16 Q. And does this account continue to see larger transactions
17 in this month? We can take a look at page 3.

18 A. Yes, it does.

19 Q. And specifically on page 3, what is the only transaction
20 listed in the deposits?

21 A. On 12/9/22, there's \$75,000 deposit, a wire in from an
22 individual named Robert Kessler.

23 Q. What bank did this transaction come from?

24 A. Alaska U.S.A. Federal Credit Union.

25 Q. Did you investigate this transaction?

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1 A. I did.

2 Q. And where does Mr. Kessler live?

3 A. Anchorage, Alaska.

4 Q. And was there any follow-up from the bank regarding this
5 transaction?

6 A. Yes, there was.

7 Q. What was that?

8 A. Bank of America said they received a hold harmless claim
9 on this wire.

10 Q. Do you know if the victim -- excuse me -- if Mr. Kessler
11 eventually received his funds back?

12 A. Yes. I spoke with Mr. Kessler, who said he did receive
13 his funds back.

14 Q. Could we look at the CDs that are marked 10-15, 10-15A,
15 10-16, 10-16A, and 10-17?

16 A. I'm sorry, you said 10-15?

17 Q. 10-15 to 10-17. I believe it's all on one CD, but there
18 might be actually several CDs.

19 A. Yes.

20 Q. What materials are on -- could you remind me if it is one
21 CD or multiple CDs?

22 A. One CD.

23 Q. What is on this CD?

24 A. This is the Bank of America surveillance for -- so this
25 was surveillance footage provided to us by Bank of America.

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1 Q. And do Exhibits 10-15, 10-16, and 10-17 contain full
2 videos from Bank of America?

3 A. Yes, they do.

4 Q. And then do Exhibits 10-15A and 10-16A contain edited
5 clips of those surveillance videos?

6 A. Yes, they do.

7 Q. Are those clips fair and accurate depictions of the
8 content of the videos?

9 A. They are.

10 MS. BEDELL: At this time, we would move to
11 admit 10-15A and 10-16A, which, I believe, they're the only ones
12 that have not yet been admitted, Your Honor.

13 MR. WENSTRUP: No objection.

14 THE COURT: They will be admitted without objection.

15 (Government's Exhibit Nos. 10-15A and 10-16A received
16 in evidence.)

17 MS. BEDELL: Could we look at Exhibit 10-15A, please?

18 (Exhibit published.)

19 BY MS. BEDELL:

20 Q. Is 10-15A the clipped version of 10-15?

21 A. It is.

22 Q. And what is this video depicting?

23 A. This is depicting a transaction on 12/9/2022 in a Bank of
24 America account. Hailong Zhu is interacting with the teller,
25 and Joseph Wong is standing in the background on his phone.

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1 Q. And just to clarify what we're looking at, does this
2 video contain two different camera angles of the same
3 transaction?

4 A. Yes, it does.

5 Q. Do you recall what account this transaction was
6 associated with?

7 A. I don't.

8 Q. Do you recall if at any point Mr. Wong approaches the
9 window and participates directly in this transaction?

10 A. On this one, I do not believe that he does.

11 MS. BEDELL: We can pause here and move on to 10-16A,
12 please.

13 (Exhibit published.)

14 BY MS. BEDELL:

15 Q. What is the date on this video?

16 A. Does it get any bigger?

17 Q. No, I don't think it does.

18 Are you able to see the date? You can also look at
19 10-17A, which has stills. I believe 10-17A was admitted
20 yesterday through the defense. If you want to look at 10-17A in
21 the binder as this is continuing to play.

22 A. 10/31/2022, in Alhambra, an ATM machine.

23 Q. Who are the three people depicted in this video?

24 A. From left to right, Small 7, and then in the center is
25 Joseph Wong, and then on the right is Hailong Zhu.

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1 Q. And it does seem to be pausing a little bit as we're
2 going through here.

3 You mentioned Small 7. Yesterday, I think we heard
4 testimony, the translator translated his name as Little 7. Is
5 that the same --

6 A. Yes.

7 Q. -- person that is in those chats?

8 A. The same.

9 MS. BEDELL: Could we look at Exhibit 10-17, please?

10 (Exhibit published.)

11 BY MS. BEDELL:

12 Q. One final question from that video we just were looking
13 at: Is there any interaction with a bank representative during
14 that transaction?

15 A. There's no interaction. This transaction is at an ATM
16 machine.

17 MS. BEDELL: If we could play 10-17, please.

18 (Video played.)

19 BY MS. BEDELL:

20 Q. Who is depicted in this video?

21 A. We believe this to be Nikki.

22 Q. And who else is there?

23 A. And Hailong Zhu.

24 Q. How long does this video go on, total?

25 A. I do not recall the total length of the video.

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1 Q. And is that cash depicted in Mr. Zhu's hands?

2 A. Yes, that is cash.

3 MS. BEDELL: Could we -- we can stop that -- the video
4 goes on for quite a bit ways more, so we will move through this
5 quickly.

6 Could we pull up 10-17A, please?

7 (Exhibit published.)

8 BY MS. BEDELL:

9 Q. And what is this exhibit? And that is in both your
10 binder and --

11 A. These are stills from the video surveillance that we just
12 observed.

13 Q. And what is in this first image?

14 A. They appear to be looking at the ATM.

15 MS. BEDELL: Can we flip to the next page, please?

16 BY MS. BEDELL:

17 Q. This is still from the transaction?

18 A. Yes, this is from the same video.

19 MS. BEDELL: And then the next page, please. And then
20 on to the next page.

21 BY MS. BEDELL:

22 Q. And what is this screenshot from?

23 A. This is from the video that we just observed with Nikki
24 on the left and Hailong Zhu on the right coming in with the cash
25 in the bag.

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1 Q. And what is the date on this video?

2 A. 10/28/2022.

3 Q. And on page 5, what's happening here?

4 A. Page 5 is published?

5 Q. Page 5 is published.

6 A. So they -- after the conclusion of the transaction, Nikki
7 appears to be putting some cash in the bag.

8 MS. BEDELL: Could we look at page 6?

9 BY MS. BEDELL:

10 Q. What is happening here?

11 A. So if we had watched the full video, Nikki leaves the
12 bank and Hailong is there by himself.

13 MS. BEDELL: And could we look at page 7 and then
14 page 8?

15 BY MS. BEDELL:

16 Q. And what happens at the end of the video?

17 A. At the end of the video, Hailong Zhu departs the bank
18 branch with the bag with the cash in it.

19 MS. BEDELL: And could we look at Exhibit 10-18,
20 please?

21 (Exhibit published.)

22 A. I'm there.

23 Q. What is this document?

24 A. This is a -- Bank of America calls it a "TRMS report."
25 It is a report that is filed inside of a branch when

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1 something -- when there's a potential fraud flag.

2 Q. And what account is this associated -- is this report
3 associated with?

4 A. This is on the account ending 6689, which is Hailong
5 Zhu's personal Bank of America account.

6 Q. What is the date this document was submitted?

7 A. 12/10 of 2022.

8 MS. BEDELL: Could we pull this document up? It should
9 have been admitted through the stipulation.

10 (Exhibit published.)

11 BY MS. BEDELL:

12 Q. And what is the reason that it states on this document
13 that it was submitted?

14 A. Potential fraud -- reason. Sorry. The referral reason
15 is fraud prevented at a banking center.

16 Q. And who was the party who was involved?

17 A. Hailong Zhu.

18 Q. We'll just give a minute to allow the jury to take a look
19 at this first page.

20 Now, taking a look at page 2, was ID provided?

21 A. A passport.

22 Q. So whose ID was provided?

23 A. Hailong Zhu's passport.

24 Q. Where was that passport from?

25 A. China.

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1 Q. And where did this transaction occur?

2 A. It occurred -- the cost center is Spring Mountain/Wynn,
3 which Wynn is a casino.

4 Q. What city?

5 A. Las Vegas.

6 Q. What was the transaction type?

7 A. A withdrawal.

8 Q. And what was the transaction amount?

9 A. 74,988.

10 Q. And on page 3, could you -- can you read the narrative
11 here?

12 A. "Hailong Zhu visited our FC" -- which we learned is a
13 financial center -- "12/10/2022 around 9:50 a.m. requesting to
14 withdraw \$74,988 in cash. He received a wire transfer for
15 \$75,000 the day prior on 12/9/2022. When we asked him who was
16 sending the funds, he seemed confused and was not able to
17 provide a name. He then said he needed to check his phone to
18 find out. We then asked him what the purpose of the payment
19 was, and he said it was for some remodeling he did for someone.
20 I asked what he needed the cash for, and he said he was using it
21 for gambling. The transaction was declined."

22 And then it says, "This account involves the following
23 account(s):" [As read]: account ending in 6689, belonging to
24 Hailong Zhu.

25 Q. And the deposit that it is referring to on December 9th,

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1 what deposit is that?

2 A. The \$75,000 wire from Robert Kessler.

3 Q. Does the report mention that anyone was with him?

4 A. It does not. It just says he received.

5 MS. BEDELL: Could we look at Exhibit 13-2, please?

6 (Exhibit published.)

7 BY MS. BEDELL:

8 Q. What is this document?

9 A. This is a Wells Fargo statement for Sea Dragon Remodel
10 Inc.

11 Q. What is the last four on this account?

12 A. 6778.

13 MS. BEDELL: Could we look at page 2?

14 BY MS. BEDELL:

15 Q. What were the total deposits into the account during this
16 period?

17 A. 2,500.

18 Q. And what is this period?

19 A. The month of November.

20 MS. BEDELL: Could we look at page 6, please?

21 BY MS. BEDELL:

22 Q. What is depicted on page 6?

23 A. These are -- this is the transaction history for the
24 month of December.

25 Q. What were the deposits into the account?

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1 A. 71,825.

2 Q. And could you describe those two transfers, please?

3 A. Yes. The first transaction is on 12/18. It's what
4 appears to be a wire from an individual named Charlene Dunn.
5 And then the second transaction, also on 12/16, is what looks
6 like a wire from Edwardsville United Methodist Church for
7 41,850.

8 Q. And what are the two largest withdrawals?

9 A. There's a -- on 12/19, it says withdrawal made in a
10 branch, slash, store for 40,000.

11 Q. And the next biggest one?

12 A. And then on 12/22, there's a wire out for 30,835.51.

13 MS. BEDELL: Could we look at Exhibit 14-2, please?

14 (Exhibit published.)

15 THE WITNESS: I'm there.

16 BY MS. BEDELL:

17 Q. What is this exhibit?

18 A. This is the account statement at East West Bank for
19 Hailong Zhu for --

20 Go ahead.

21 Q. What is the last four of the account number?

22 A. 9074.

23 Q. What is the date of this particular page -- the statement
24 for this page?

25 A. This is October 31st through November 30th of 2022.

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1 Q. Can you describe the credits into the account covered on
2 this statement?

3 A. Yes. There are four [sic] deposits: 10/31, \$500; 11/8,
4 \$4,000; 11/9, \$10,000.

5 Q. What was the outgoing wire on 11/16?

6 A. On 11/16, there's a \$13,000 outgoing wire to Hailong Zhu.

7 Q. And you're familiar with the U.S. Bank account records in
8 this case, correct?

9 A. Yes, I am.

10 Q. Does this transfer out of this account correspond with
11 the transfer that went into the -- Mr. Zhu's U.S. Bank account
12 on November 16th?

13 A. It does.

14 Q. Looking at 14-2 on page 3, please; what are the credits
15 into the account during this period?

16 A. There's a \$102,000 deposit on 12/1.

17 Q. And what is the most significant transfer out of this
18 account?

19 A. There's a 102,128 transfer out to Yunzhu Xie.

20 Q. On what date?

21 A. On 12/12.

22 Q. And did you come across the name Xie anywhere else in
23 this investigation?

24 A. Yes, I did.

25 Q. Where was that?

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1 **A.** Xie was -- we found some documents at Wong's house with
2 Yunzhu Xie and her business entity.

3 **Q.** Did you come across the name in any of Mr. Wong's phones?

4 **A.** Yes, I did.

5 MS. BEDELL: Could we look at Exhibit 14-3?

6 THE COURT: Ms. Bedell, let me stop you there. We just
7 hit 10:45. I don't know if this is a natural place --

8 MS. BEDELL: This is the perfect spot, yes, Your Honor.

9 THE COURT: Ladies and gentlemen, why don't we take our
10 morning break. We'll resume in 15 minutes, at the latest, right
11 at 11:00. Please remember my admonitions not to discuss the
12 matter or engage in any independent research. Just take a few
13 minutes to relax, and we'll resume promptly.

14 You're free to go now.

15 (Jury out at 10:47 a.m.)

16 THE COURT: Agent Saunders, you may step down. You
17 remain under oath.

18 How much longer do you think you anticipate,
19 Ms. Bedell, that you have for direct?

20 MS. BEDELL: Your Honor, this is a fairly long one.
21 I'm probably a quarter of the way through, but I have been
22 speeding through things. Some of the exhibits that I know are
23 coming up, we already looked at with Defense, so we'll be able to
24 get through this a little bit faster. So I am conscious of
25 trying to get through this as quickly as possible, but we do have

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1 a ways to go.

2 THE COURT: All right. I understand. And I think that
3 may put us on a track to then have, perhaps, an early lunch and
4 address whatever comes next so that we can prepare for the
5 afternoon. But let's just see how it goes, then, when we come
6 back at 11:00. We can, hopefully, move quickly through this
7 final government witness.

8 Court will be in recess.

9 (Whereupon, a recess in the proceedings occurred from
10 10:48 a.m. until 11:00 a.m.)

11 THE COURT: Bring the jury in.

12 (Jury in at 11:00 a.m.)

13 THE COURT: I'm going to ask you the familiar question
14 to make sure that you were able to follow the Court's
15 instructions and not discuss the case or engage in any
16 independent research during the break.

17 I see you're nodding your heads.

18 We'll resume with the direct examination.

19 Agent Saunders, you remain under oath.

20 BY MS. BEDELL:

21 Q. We were taking a look at 14-3. And what is this?

22 A. This is our screenshot from East West Bank of various
23 deposit slips and checks.

24 Q. At the bottom of page 1, what is depicted there?

25 A. It's a check to Hailong Zhu for \$4,000 from Sea Dragon

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1 Remodel Inc. on 11/8/2022.

2 Q. And looking at page 2, at the top of page 2, what is
3 depicted there?

4 A. This is a deposit slip for \$10,000 into Hailong Zhu's
5 East West account ending in 9074.

6 Q. What was deposited then? Was that cash?

7 A. Yes, it was cash, and it says the source of funds is from
8 BofA, and the purpose is payments.

9 Q. The purpose is payments?

10 A. Yes.

11 Q. And I'm sorry, did you read the date on this transfer?

12 A. Yes, but I can say it again: 11/9/2022.

13 Q. Does this indicate whether the transaction was done in
14 person?

15 A. It does. It was stamped, but -- at Branch 8, Teller 11.

16 Q. Did they check an ID?

17 A. Yes; down at the bottom left, an Illinois ID.

18 Q. The third item on page 2, what is that?

19 A. This is a cash deposit slip for \$102,000 on 12/1/2022.

20 Q. What was the breakdown of that \$102,000?

21 A. 83,000 in currency; looks like eight hundred thirty
22 100-dollar bills, and then a check for 19,000.

23 Q. Does the slip indicate the source of the funds?

24 A. Yeah. Down -- it does. It says it's cash from casino,
25 from the Wynn.

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1 Q. What's the date on this transaction?

2 A. 12/1/2022.

3 Q. Is this the same date the defendant tried to deposit
4 \$83,000 in cash and a \$19,000 check at U.S. Bank?

5 A. Yes, it is.

6 Q. Does the slip note if the funds are immediately
7 available?

8 A. It says that they're on hold for seven days.

9 Q. What do you understand to have happened here?

10 A. At the U.S. Bank when he was unable to send the funds
11 wherever he wanted to send them overseas and we called them
12 back, they were then brought to East West Bank and deposited
13 there.

14 Q. Could you look at Exhibit 1-4B?

15 (Exhibit published.)

16 THE WITNESS: Would you say that again?

17 BY MS. BEDELL:

18 Q. 1-4B. It might be in another binder. We're going to
19 switch that first binder anyway. And it's also pulled up on the
20 screen.

21 A. I am here.

22 Q. What is this document?

23 A. This is the SoFi personal loan agreement with Mr. Kwadwo
24 Danso-Fordjour.

25 Q. Did you receive a clean copy of this document without

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1 that copy view watermark written on it?

2 A. Yes, I did.

3 Q. Is that document otherwise identical to this one?

4 A. Yes, it is.

5 MS. BEDELL: Could we look at 1-4?

6 (Exhibit published.)

7 BY MS. BEDELL:

8 Q. Is this the clean version of the document?

9 A. It is.

10 Q. But is Mr. Danso-Fordjour's signature on the last page of
11 this one?

12 A. It's not on this one, no.

13 Q. But all the text in between is identical?

14 A. Yes.

15 Q. Could you turn to page 5 of this document? Could you
16 read paragraph 6?

17 A. Paragraph 6: "I may not assign my loan (including my
18 application) or any of its benefits or obligations. You may
19 assign my loan agreement (including my application) at any time.
20 The terms and conditions of my loan agreement apply to, bind,
21 and inure to the benefits of your successors and assigns."

22 Q. Also on page 5, section O, paragraph 1, could you read
23 the second sentence?

24 A. Starting with "I certify"?

25 Q. Yes.

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1 **A.** "I certify that the loan proceeds will only be used for
2 unsecured personal, family, or household expenses and not for
3 real estate, business purposes, investment, purchases of
4 securities, post-secondary education, or short-term bridge
5 financing."

6 **Q.** And on page 7, please, in the second column under the
7 heading "Notice to Borrowers Regarding Loan Sales," can you read
8 the first sentence there?

9 **A.** [As read]: I understand that you may sell, transfer, or
10 assign my agreement without consent.

11 **Q.** Does it say "without my consent"?

12 **A.** "Without my consent." I'm sorry.

13 MS. BEDELL: Can we look at Exhibit 5-1, which is a
14 cell phone, please? And, actually, if you could hand up 5-1,
15 6-1, 7-1, 8-1.

16 BY MS. BEDELL:

17 **Q.** Do you recognize these items?

18 **A.** Yes, I do. These are iPhones that were seized from
19 Joseph Wong.

20 **Q.** Joseph Wong?

21 **A.** These were iPhones that were seized from Joseph Wong.

22 **Q.** Okay. Did you receive and analyze forensic copies of all
23 four of these phones?

24 **A.** I did.

25 **Q.** Let's start with Item 5-1, which is labeled Item 1. So

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1 taking a look at Exhibit 5-2 -- and these exhibits have been
2 admitted, so we can publish -- do you recognize this item?

3 A. Yes. This is the preliminary device report that was
4 generated during the exam from the examiner.

5 Q. What is the device name?

6 A. The device name is josephiPhone.

7 Q. And what is the model?

8 A. The model is iPhone 12 Pro Max.

9 Q. What is the MSISDN associated with the phone?

10 A. It ends in 6045.

11 Q. And then are there other MSISDNs?

12 A. There are.

13 Q. What are those?

14 A. There's one that ends in 1044, and then there's one that
15 ends in 6466.

16 Q. What appears on the second and third pages of this
17 exhibit?

18 A. These are a list of accounts that were linked to this
19 device.

20 Q. And on page 2, is there an entry for WeChat?

21 A. Yes, there is.

22 Q. And what is the username and the user ID associated with
23 the WeChat entry?

24 A. The username is Joseph, and the ID is a long string of
25 numbers ending in 1922.

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1 Q. From this data and your review of the phone, what did you
2 determine this device to be?

3 A. Well, we determined this to be his primary phone.

4 Q. His -- whose?

5 A. Sorry. Joseph Wong's primary device.

6 MS. BEDELL: Could we look quickly at Exhibit 5-3?

7 (Exhibit published.)

8 BY MS. BEDELL:

9 Q. What is this exhibit?

10 A. These are notes that were in Joseph Wong's primary
11 device.

12 Q. And when you say "notes," is that from the Notes
13 application?

14 A. Yes, I believe so.

15 Q. Could you just characterize the type of information found
16 in the first three notes?

17 A. Yeah. The first note is a list of Sea Dragon entities.
18 The second note is a list of Mingxing entities; so Mingxing
19 Trading, Mingxing Remodel. And then the third note is another
20 list of entities: The Yunzhu Xie, with the YZX Luxury and YZX
21 Trending entities.

22 Q. What is contained in Notes 4 and 5?

23 A. These are wire instructions.

24 Q. And what is Note 4?

25 A. Note 4 is wire instructions for O Diamonds Trading

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1 Limited.

2 Q. And then what is Note 5?

3 A. Note 5 is wire instructions to Mitsubishi UFJ, and it
4 also includes the additional details: For further credit to
5 Axis Digital Limited and GTAL, G-T-A-L.

6 Q. Could you look at Note 8?

7 A. These are wire instruction to Mitsubishi that further
8 credited to Axis Digital Limited.

9 MS. BEDELL: Could we look at Exhibit 5-4, please?

10 BY MS. BEDELL:

11 Q. The first page of this exhibit -- I'm sorry. What is
12 this exhibit, generally, contained broadly in here?

13 A. This is the details, or metadata, of a particular image.

14 Q. And Exhibit 5-4, does this just contain a number of
15 images found on the device?

16 A. Yes.

17 Q. And then page 1, you said, is the metadata associated?

18 A. Correct.

19 Q. And for this first file, what is the file name?

20 A. It is a file ending 3571.jpeg.

21 Q. What is the created date on this file?

22 A. 11/3/2022.

23 Q. And the file type?

24 A. J-P-E-G, JPEG.

25 Q. And on the right of the screen, is that just a small

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1 version of the image?

2 A. Yes, that's the thumbnail version of the larger image.

3 MS. BEDELL: Could we look at page 2?

4 A. Yep.

5 Q. Is this the larger version of that image?

6 A. It is.

7 Q. Does this exhibit follow the pattern where the first page
8 has this metadata information and the second page is the image
9 itself?

10 A. Yes.

11 Q. As I'm going to review this document, I'm just going to
12 skip the data pages and just look at the big images. If you
13 need the data, you can refer back to that there.

14 So on page 2, what is depicted in this image?

15 A. This is a Bank of America wire form from Sea Dragon
16 Remodel Inc. out of account 9529.

17 Q. Who is the form going to?

18 A. O Diamonds Trading Limited.

19 Q. For how much money?

20 A. \$94,000 on 11/3/2022.

21 Q. According to the form, how was this transfer executed?

22 A. In person.

23 Q. How did they verify ID?

24 A. Two IDs: One is a U.S. nondriver's license ID -- the
25 state is cut off -- and then second is Bank of America debit

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1 card, ATM card.

2 Q. What is listed as the purpose of the transfer?

3 A. Goods.

4 Q. And we've reviewed Bank of America records for these
5 accounts. Is this wire reflected on the statement for the 9529
6 account? And if you need to refresh, it's Exhibit 10-6, which I
7 think might be in the other binder.

8 A. Let me --

9 Q. You want to refresh?

10 A. Yes.

11 Q. I would recommend you look at page 13.

12 MS. BEDELL: And, actually, Ms. McNeill may have helped
13 you out here.

14 A. Yes. On 11/3, \$94,000.

15 Q. If we could return to Exhibit 5-4, page 4, what is on
16 page 4?

17 A. Page 4 is a Chase wire form, Sea Dragon Trading LLC.

18 Q. What is the last four on the account that it's coming out
19 of?

20 A. 3886.

21 Q. What's the date?

22 A. The date is 10/25/2022 for \$152,000.

23 Q. And who's it going to?

24 A. O Diamonds Trading.

25 Q. From the top section, how was this transfer executed?

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1 A. In person.

2 Q. And did they confirm the ID?

3 A. Yes, a state-issued ID from Illinois, and then a
4 secondary type, a Chase bank issued credit/debit card.

5 Q. Let's look at page 6. What is this?

6 A. Page 6 is another Bank of America wire form, Sea Dragon
7 Remodel Inc., account ending 9529.

8 Q. And how much is the transfer for and the date, please?

9 A. \$108,000 on 10/31/2022.

10 Q. What is the destination?

11 A. The destination is O Diamonds Trading Limited.

12 Q. How was this transfer executed?

13 A. In person.

14 Q. What was the confirmation used, if any?

15 A. A U.S. nondriver's license and a Bank of America debit
16 card, or ATM card.

17 Q. What is the purpose of the payment that's provided?

18 A. Goods.

19 Q. And is the form signed?

20 A. It is.

21 Q. Whose name is on it?

22 A. Hailong Zhu.

23 MS. BEDELL: Could we look at page 8, please?

24 BY MS. BEDELL:

25 Q. What is this image?

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1 A. This is a Cathay Bank wire transfer form for \$63,000.

2 Q. What is the originator account?

3 A. It is Mingxing Remodel LLC.

4 Q. In the top left corner, what does it say is the purpose
5 of the wire?

6 A. Merchandise payment.

7 Q. Who does the transfer go to?

8 A. It goes to Mitsubishi UFJ Trust, and it includes the "for
9 further credit" account details to Axis Digital Limited.

10 Q. What is the date on this form?

11 A. 12/19/2022.

12 Q. Who signed this form?

13 A. Mingxing Lyu.

14 Q. Did you find other images of wire transfers with Mingxing
15 Lyu's name on them in this exhibit?

16 A. Yes, I did.

17 Q. Could we jump ahead to page 12? And what is this?

18 A. This is a bank card bearing the name Yunzhu Xie, YZX
19 Luxury LLC.

20 Q. Let's look at page 16. What is this?

21 A. This is a Bank of America wire form from Kais Tea Sets
22 Supplies LLC.

23 Q. Did you find other transfer forms for other companies
24 within the images on Joseph Wong's phone?

25 A. Yes.

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1 Q. Let's jump -- did you find other details related to the
2 individual bofacai on the phone?

3 A. Yes, I did.

4 Q. Let's jump ahead to page 22, please.

5 A. Which --

6 Q. That is going to be another wire transfer form. What is
7 pictured here?

8 A. This is an outgoing wire form from an individual named
9 Lori Collingwood.

10 Q. Can you make out her full name there?

11 A. Yes. Lori Collingwood-Foehlinger.

12 Q. Where is she located?

13 A. Lancaster, Pennsylvania.

14 Q. Who is the beneficiary?

15 A. The beneficiary is Jian Long.

16 Q. Did you come across that name in your investigation?

17 A. I did.

18 Q. Where was that?

19 A. It was one of the fake aliases of Joseph Wong.

20 Q. How much is this transfer for?

21 A. 39,450.

22 Q. And what is the date?

23 A. The date is March 13, 2023.

24 Q. Could we jump to page 24 -- it should be the last page in
25 the document -- and what is this?

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1 A. This is the driver's license of Lori Collingwood on top
2 of the wire form that we just looked at.

3 Q. What do you understand to be happening here?

4 A. I understand that this is likely a victim, and she was
5 able to send a successful wire, as we've seen some of the other
6 victims; after they send a wire, they send their driver's
7 license and a picture of the wire form.

8 Q. Let's take a look at Exhibits 5-5 through 5-10, which are
9 CDs. What is this exhibit?

10 A. These are calls to Bank of America from Item 1, which is
11 Joseph Wong's primary device.

12 Q. Does the CD also contain shortened clips of these videos,
13 Exhibits 5-6, 5-8, and 5-10?

14 A. Yes.

15 Q. And what was shortened in these?

16 A. Times in which he was on hold with the bank was clipped
17 out.

18 Q. Did you also sometimes remove multiple entries of account
19 information?

20 A. Yes.

21 Q. And are 5-6, 5-8, and 5-10 [sic] fair and accurate clips
22 of Exhibits 5-5, 5-7, and 5-10 respectively?

23 A. Yes.

24 MS. BEDELL: At this time, I would move -- excuse me, I
25 think I meant to say 5-9 on this last one. I move to admit 5-6,

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1 5-8, and 5-10, Your Honor.

2 MR. WENSTRUP: No objection, Your Honor.

3 THE COURT: They're admitted without objection.

4 (Government's Exhibit Nos. 5-6, 5-8, and 5-10 received
5 in evidence.)

6 MS. BEDELL: Could we look at Exhibit 5-6?

7 (Exhibit published.)

8 BY MS. BEDELL:

9 Q. What is the date on the video?

10 A. November 29th.

11 Q. We're just going to play the first 50 seconds or so.

12 (Audio played.)

13 MS. BEDELL: If we could pause there.

14 BY MS. BEDELL:

15 Q. Whose face is reflected in the video there?

16 A. Joseph Wong.

17 Q. So what seems to be going on in this video?

18 A. He is accessing Hailong Zhu's account. He's taking a
19 video from his primary device of a phone that he's made a call
20 from a different phone, so he's actually recording himself
21 making a phone call to the bank.

22 Q. In your investigation, did you determine why he might do
23 this?

24 A. Yeah. There appears to be direction from Nikki to send
25 these videos.

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1 Q. And why were they sending them?

2 A. I think they were sending them to just -- it was part of
3 a scheme to make sure that all of the accounts are accounted
4 for.

5 Q. Okay. Exhibit 5-8, you were in the courtroom yesterday
6 when Defense played their Defense Exhibit, I believe it was, 6.
7 Is Exhibit 5-8 the same as Defendant's Exhibit 6?

8 A. It is.

9 Q. We won't need to review that one again here.
10 Exhibit 5-10, is that a call into the Mingxing account?

11 A. It is.

12 Q. Can you describe generally what happens in that video?

13 A. Yeah. Same type of phone call here. He called the bank.
14 He was pretending to be Mingxing Lyu; provided Mingxing Lyu's
15 identifiers to get through the verification process, and then, I
16 think, on that call, he attempted to retrieve funds.

17 MS. BEDELL: Court's indulgence.

18 (Whereupon, there was a brief pause in the
19 proceedings.)

20 MS. BEDELL: Could we look at Exhibits 5-11 and 5-13,
21 which, I believe, are CDs?

22 A. 5-11 is a CD.

23 Q. So 5-11 and 5-13 should be CDs. Do you recognize those
24 CDs?

25 A. I do. These are chats from Item 1, which is Wong's

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1 primary device.

2 Q. And we heard testimony from Ms. Alex Liu yesterday about
3 translating these chats?

4 A. Yes.

5 Q. And the chats were originally in Mandarin?

6 A. They were.

7 MS. BEDELL: I will now read, I believe it's
8 Stipulation 11, paragraph 3.

9 "The following exhibits are translations of text
10 messages. The translations of the text messages were not found
11 on the phone itself. However, the underlying Chinese language
12 versions of the text messages and accompanying data are true
13 and accurate depictions of chats and data extracted from the
14 iPhone 12 Pro Max at GX 5-1, through the use of GrayKey, a
15 reliable forensic access tool, that extracted data from the cell
16 phone."

17 That's 5-11 and 5-13.

18 And I think we discussed these -- are these already
19 admitted? I've lost track. At this point, then, I would move to
20 admit 5-11 and 5-13.

21 THE COURT: Any objection?

22 MR. WENSTRUP: No objection.

23 THE COURT: They're admitted without objection.

24 (Government's Exhibit Nos. 5-11 and 5-13 received in
25 evidence.)

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1 BY MS. BEDELL:

2 Q. And Exhibit 5-12, which is in the binder, what is this
3 exhibit?

4 A. This is a chat between Joseph, Nikki, and Little 7.

5 Q. And is this an excerpt of the full chat found at
6 Exhibit 5-11?

7 A. Yes, it is.

8 Q. Is 5-12 a fair and accurate representation of the chats
9 on Wong's device, plus the translations?

10 A. Yes.

11 MS. BEDELL: I just want to move to admit and publish
12 5-12, Your Honor.

13 MR. WENSTRUP: No objection.

14 THE COURT: It's admitted without objection. You may
15 publish it.

16 (Government's Exhibit No. 5-12 received in evidence.)

17 BY MS. BEDELL:

18 Q. All right. You mentioned this, but could you let us know
19 who are the participants in this chat?

20 A. Yeah. The participants are Joseph, Nikki, and Little 7.

21 Q. Which Joseph do you believe this to be?

22 A. It's Joseph Wong.

23 Q. And Hailong Zhu is not a participant in this chat?

24 A. He is not.

25 Q. One question: We're looking at two chats from this

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1 phone; how many chats did you find on this phone, generally,
2 approximately?

3 A. Um --

4 Q. Was it a large number of chats?

5 A. Thousands, terabytes of information.

6 Q. What language was these chats in?

7 A. Predominantly, they were in Mandarin.

8 Q. How did you identify which ones you wanted to look at
9 more closely?

10 A. We looked at whether there were any, like, phone numbers
11 that we needed to look into. He did most of his chatting
12 through WeChat, so we looked at the chats with Nikki; we looked
13 at the chats with Little 7; and then we searched for other,
14 like, keywords to try to identify any other chats that would be
15 relevant.

16 Q. And did you use any machine translations?

17 A. Yeah. Initially, we tried to get some bulk translation
18 done through Cellebrite. Cellebrite has a feature where you
19 can, like, bulk translate everything from Mandarin into English,
20 but it was -- it wasn't very useful.

21 Q. But using that process, you did narrow down on a number
22 of chats, and those two -- 5-11 and 5-13 -- are two particular
23 ones?

24 A. Yes, correct.

25 Q. So looking at the first page of the exhibit, what is the

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1 date on these chats?

2 A. This date is on December 2, 2022.

3 Q. And what is the general nature of these conversations?

4 A. So Little 7 and Joseph and Nikki here are talking about
5 taking people to the bank. They're talking about getting
6 personal checks out of accounts, making appointments to go to
7 banks.

8 Q. Can you turn to page 3, please? What does the gray bar
9 at the end of this mean?

10 A. This means there's a break in the chat.

11 Q. Turning to page 4, what is the date on the first chat on
12 page 4?

13 A. 12/9/2022.

14 Q. And can you read through that chat?

15 A. Yes.

16 "Nikki: Send me a photo of Ms. Xie's Chase personal
17 account checks.

18 Nikki: It says void."

19 Joseph then sends a pic, 1517.pic.

20 "Joseph: Is this check okay?"

21 Q. I think you may have missed the third message from Nikki.

22 A. Oh, I'm sorry.

23 THE INTERPRETER: Your Honor, I didn't hear that.

24 MS. BEDELL: We may have missed the third message from
25 Nikki.

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1 A. Yes. The third message: "In the future, record the
2 address of the bank where the account is opened."

3 Q. Okay. And then going back to that blank, you said that
4 meant that a picture had been sent?

5 A. That's correct.

6 Q. And how do you know that?

7 A. Because it has a .pic file, and the .pic file is also in
8 a phone.

9 Q. Could you read the second excerpt on page 4, please?

10 A. "Joseph: Everyone received 75,000 received in personal
11 accounts."

12 Q. And what is the date on that?

13 A. 12/9/2022.

14 Q. Did Mr. Zhu, in fact, receive \$75,000 into his personal
15 account that day?

16 A. Yes; that is the one from Robert Kessler.

17 Q. Could you read the third excerpt on page 4, please?

18 A. "Nikki: At 9:30 a.m. tomorrow morning, cash needs to be
19 withdrawn from Hailong's BoA.

20 Joseph: Okay.

21 Nikki: And then Hailong's East West, withdraw what you
22 can.

23 Joseph: Okay.

24 Nikki: If you can't withdraw, remit 99,800 to Ms. Xie.

25 Joseph: Okay."

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1 Q. And what is the date of that?

2 A. 12/10/2022.

3 Q. Now, were there chats that then explained why that
4 transfer ultimately happened a few days later?

5 A. Will you repeat the question?

6 Q. Were there chats that aren't included here that did
7 ultimately explain why the transfer happened a few days later?
8 And if you don't remember, that's fine.

9 A. Can you refresh?

10 Q. Can you read the fourth excerpt on page 4?

11 A. "Nikki: Hailong just asked, Don't we go to Wynn this
12 time? Laughing emoji.

13 Joseph: Ha ha! He's got an idea.

14 Little 7: Chuckling, chuckling, chuckling emojis."

15 Q. What do you understand to be happening here?

16 A. We have evidence showing that Hailong's been to casinos
17 with these people, and so it appears that he's learned the
18 pattern of behavior what to do after cash is withdrawn.

19 Q. Could we turn to page 5, please?

20 A. I'm there.

21 Q. I think -- could you just explain what's happening in
22 this chat?

23 A. Seems like they're trying to talk to a manager about how
24 much money to get, and then to say that it's from gambling. The
25 chat is on 12/10/2022; so, presumably, it was when they were at

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1 the Bank of America withdrawing -- trying to withdraw the
2 approximate 75,000.

3 Q. Could we skip to page 7 now? Can you read the first line
4 of this excerpt?

5 A. On 12/12/2022, Nikki says, "Give me Chase personal
6 account information, BofA private account, Wells Fargo public
7 account and private account."

8 Q. What does "public" and "private account" refer to here?

9 A. We believe that public account is referring to the
10 business accounts and private accounts are referring to the
11 individual's personal accounts.

12 Q. And then what does Small 7 provide in response?

13 A. Small 7 provides the account information for Mingxing
14 Lyu.

15 Q. What does Nikki say in response to that?

16 A. Nikki says -- again, on 12/12/2022 -- "I need the address
17 too." Nikki then says again, "I'll give you the pattern," and
18 then Nikki provides the Sea Dragon Remodel Bank of America
19 account.

20 Q. And what is the last line of the chat?

21 A. The last line is, "This is the address for all," from
22 Nikki on 12/12/2022.

23 MS. BEDELL: Could we look at page 8, please?

24 BY MS. BEDELL:

25 Q. Could you describe what's happening in this excerpt?

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1 **A.** Yeah. Nikki appears to be giving Small 7 and Joseph Wong
2 instructions on exactly what to ask the bank.

3 **Q.** Let's go back to page -- oh, excuse me.

4 At the end, it looks like Small 7 sends an attachment.
5 Can you describe what happens there?

6 **A.** Oh, yeah. So this is a video thumbnail. So what appears
7 to have happened is, like we saw Joseph Wong sending videos of
8 himself calling the bank, we believe that Small 7 also sent a
9 video of himself calling the bank. We didn't actually see the
10 video on Joseph Wong's phone. We just saw this video thumbnail
11 image come through.

12 **Q.** And was there a transfer into Zhu's personal Bank of
13 America account at around this time?

14 THE INTERPRETER: Counsel, if you could slow down, that
15 would be helpful.

16 THE COURT: Please just slow down a little bit for the
17 interpreters.

18 BY MS. BEDELL:

19 **Q.** Was there a transfer into Zhu's personal Bank of America
20 account at around this time?

21 **A.** On 12/12?

22 **Q.** Yes, around that time.

23 **A.** Yes. On 12/9, there was a transfer from Robert Kessler.

24 **Q.** Okay. Let's go back to page 6. What is the date on this
25 chat?

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1 **A.** 12/10/2022.

2 **Q.** And can you read this chat?

3 **A.** Starting from the top?

4 **Q.** Starting from the top.

5 **A.** "Nikki: The card can't be used at the ATM?

6 Small 7: No.

7 Nikki: BofA won't be able to unlock it, I guess.

8 Small 7: Try calling.

9 Nikki: Mm-hmm.

10 Nikki: Can you log into online banking?

11 Nikki: You can't be so anxious to collect the money from
12 now on.

13 Nikki: Split it in two.

14 Small 7: Mm-hmm.

15 Small 7: Online banking works.

16 Nikki: Here's the video.

17 Small 7: I'm on the phone.

18 Nikki: Okay."

19 And then Nikki sends a 1794.pic, and then Nikki also
20 sends 1795.pic, and then Nikki says, "75,000 sender information.

21 Small 7: Okay.

22 Small 7: I can't unlock it today. I need to call on
23 Monday.

24 Nikki: Mm-hmm."

25 MS. BEDELL: Could we look at Exhibit 5-15, please?

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1 (Exhibit published.)

2 BY MS. BEDELL:

3 Q. And what is this?

4 A. This is that Cellebrite report that captures the details
5 of this image here, 1794.pic.

6 Q. And 1794.pic, what was the create date here?

7 A. 12/10/2022.

8 Q. And is that the same picture title as we just saw in the
9 chat we were just looking at?

10 A. It is.

11 MS. BEDELL: Could we look at page 2?

12 BY MS. BEDELL:

13 Q. What is this?

14 A. This is Robert Kessler's Alaska driver's license.

15 Q. And is this the individual who sent 75,000?

16 A. This is.

17 MS. BEDELL: Could we look at page 3 of this exhibit?

18 BY MS. BEDELL:

19 Q. And what is the title of this image?

20 A. The title?

21 Q. Or name. Excuse me.

22 A. The name of this image is 1795.pic.

23 Q. When was it created?

24 A. On 12/10/2022.

25 Q. This is the same image that we just saw in the exhibit

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1 with the chats?

2 **A.** Yes, it is.

3 MS. BEDELL: Could we look at page 4?

4 BY MS. BEDELL:

5 **Q.** And what is this?

6 **A.** This is a wire form showing that Robert Kessler sent
7 \$75,000 on 12/9/2022 to Hailong Zhu's Bank of America account
8 ending 6689.

9 **Q.** And on page 5, please, what is this?

10 **A.** This is the Cellebrite details metadata over this image
11 1517.pic.

12 **Q.** Created what date?

13 **A.** On 12/9/2022.

14 **Q.** On page 6, what is the image itself?

15 **A.** These are checks. They're blank checks. They're from
16 Chase account -- from Yunzhu Xie's Chase account, and they're
17 signed.

18 **Q.** And remember when we were looking at 5-12, is this the
19 image that Nikki had asked for and Joseph sent in the chat on
20 12/9?

21 **A.** Yes.

22 MS. BEDELL: Could we look at Exhibit 5-14?

23 (Exhibit published.)

24 BY MS. BEDELL:

25 **Q.** And do you recognize this exhibit?

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1 A. Yes, I do. This is an excerpt of one of the chats.

2 Q. Is it an excerpt of the full chats that were at 5-13?

3 A. Yes.

4 Q. Is 5-14 a fair and accurate representation found on
5 Wong's device?

6 A. Yes.

7 Q. And the translations later provided?

8 A. Correct.

9 MS. BEDELL: At this time, we'd move to admit and
10 publish 5-14, Your Honor.

11 MR. WENSTRUP: No objection.

12 THE COURT: It will be admitted without objection.

13 (Government's Exhibit No. 5-14 received in evidence.)

14 BY MS. BEDELL:

15 Q. Who are the participants in this chat?

16 A. This one is between Nikki and Joseph Wong.

17 Q. Were there dates on these chats?

18 A. There were not on these chats. We later learned that
19 they were in February.

20 Q. Okay. Are the chats in Exhibit 5-13 similar to the other
21 chats that we read?

22 A. Yes.

23 Q. And do these excerpts reflect the nature of the chats?

24 A. They do.

25 Q. I will direct your attention to the second excerpt on

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1 page 1; what is going on here?

2 **A.** I think he says -- so Nikki says, "Tomorrow, clear the
3 checks from Hailong, Mingxing, and Ms. Xie, and write a check
4 for the rest that cannot be withdrawn."

5 **Q.** Had law enforcement found anything in search relevant to
6 this discussion?

7 **A.** Yes. We saw pre-signed checks from Hailong and Ms. Xie
8 as well.

9 **Q.** And you said you were able to determine that these chats
10 were from February; do I have that correct?

11 **A.** Yes, correct.

12 **Q.** Let us look at -- move to Item 10. So you've already
13 looked at Exhibit 6-1, which is the phone.

14 MS. BEDELL: So at this point, I will read another
15 stipulation, Your Honor.

16 "The following exhibits are true and accurate
17 depictions of data extracted from the iPhone 11 Pro Max at
18 Government Exhibit 6-1, through the use of GrayKey, a reliable
19 forensic access tool, that extracted data from the cell phone."

20 Exhibits 6-2, 6-3, and 6-5; at this time, we move to
21 admit those exhibits.

22 MR. WENSTRUP: No objection.

23 THE COURT: Admitted without objection.

24 (Government's Exhibit Nos. 6-2, 6-3, and 6-5 received
25 in evidence.)

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1 MS. BEDELL: Could we look at Exhibit 6-2?

2 (Exhibit published.)

3 BY MS. BEDELL:

4 Q. And what is the Apple ID associated with this phone?

5 A. The Apple ID is josephwong954734@icloud.com.

6 Q. And what are the last four of the phone numbers
7 associated with this phone?

8 A. There's a 7846, a 1044, and a 6466.

9 Q. And on page 2, what's depicted on page 2?

10 A. These are user accounts that are associated with this
11 device.

12 Q. Are most of them associated with that iCloud account that
13 you just read?

14 A. Yes.

15 Q. Based on your investigation, what did you determine that
16 this phone was?

17 A. We determined that this phone was likely his secondary
18 phone.

19 Q. Could we look at Exhibits 6-3 through 6-6, which are CDs?

20 A. Okay.

21 Q. What are depicted on these CDs?

22 A. These are videos taken from that secondary phone.

23 Q. And does the CD also contain Exhibits 6-4 and 6-6, which
24 are shortened clips of the videos at 6-3 and 6-5?

25 A. Yes, it does.

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1 Q. And were they shortened in the similar ways to the other
2 videos?

3 A. Correct.

4 Q. Are they fair and accurate clips of the longer videos at
5 6-4 and 6-6?

6 A. Yes.

7 MS. BEDELL: At this time, we would move to admit 6-4
8 and 6-6, Your Honor.

9 MR. WENSTRUP: No objection.

10 THE COURT: Admitted without objection.

11 (Government's Exhibit Nos. 6-4 and 6-6 received in
12 evidence.)

13 MS. BEDELL: Could we play just the very beginning of
14 6-6, please?

15 (Audio played.)

16 BY MS. BEDELL:

17 Q. What is depicted going on here, depicted in this video?

18 A. This is another phone call where Joseph Wong is calling
19 the bank representing himself as Hailong Zhu.

20 Q. I apologize, I believe I misspoke earlier. I think this
21 one was actually Defense Exhibit 6 yesterday, so we did watch
22 this in full yesterday.

23 So it was Joseph Wong calling the bank -- excuse me.

24 Is that also what's contained in Exhibit 6-4?

25 A. It is.

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1 Q. And is he again pretending to be Hailong Zhu on this
2 call?

3 A. He is.

4 MS. BEDELL: Moving to exhibits from Item 5, which is a
5 phone, Exhibit 7-1. At this point, I will read the stipulation.

6 "The following exhibits are true and accurate
7 depictions of data extracted from the iPhone 13 Pro Max at
8 Government's Exhibit 7-1, through the use of GrayKey, a reliable
9 forensic access tool, that extracted data from the cell phone."

10 It's Exhibits 7-2, 7-3, 7-4, 7-5, 7-6, and 7-7. At
11 this time, we would move to admit those exhibits, Your Honor.

12 MR. WENSTRUP: No objection.

13 THE COURT: They will be admitted without objection.

14 (Government's Exhibit Nos. 7-2 through 7-7 received in
15 evidence.)

16 BY MS. BEDELL:

17 Q. Could we take a look at Exhibit 7-2, please? Do you
18 recognize this item?

19 A. Yes, I do.

20 Q. What is depicted here?

21 A. This is a preliminary device report from Cellebrite
22 regarding this device, Item 5.

23 Q. What is the device name of this device?

24 A. The device name is hailongiPhone.

25 Q. Is this the same as the name of the device that was

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1 accessing the Sea Dragon JPMorgan accounts?

2 A. It was.

3 Q. And, again, this was found in Joseph Wong's possession?

4 A. Correct.

5 Q. What phone numbers are associated with this phone?

6 A. Phone numbers 1024 and 1546.

7 Q. Is that 1546 number the one used on the Sea Dragon bank
8 accounts?

9 A. It is.

10 Q. Was the 1024 number also associated with Wong's primary
11 phone?

12 A. It was.

13 MS. BEDELL: Could we look at Exhibit 7-3?

14 (Exhibit published.)

15 BY MS. BEDELL:

16 Q. What's depicted here?

17 A. These are applications that were installed on this
18 device.

19 Q. And what were the applications installed on this device,
20 generally?

21 A. Generally, they were banking applications.

22 Q. Could you look at Exhibit 7-4? What is this document?

23 A. These are accounts that are associated with this device.

24 Q. And in creating this exhibit, did you just select the key
25 accounts that had recognizable information with them?

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1 A. Yes, I did. I believe there were three accounts that
2 were not linked to any type of email address or that was
3 recognizable that I excluded from this report.

4 Q. What is the user account associated with the last entry?

5 A. Zhuhailong923@gmail.com.

6 Q. Did you come across this email anywhere else in the
7 investigation?

8 A. I did.

9 Q. Do you recall where?

10 A. Yeah. There's a sticky note that was found in his wallet
11 during the search warrant.

12 Q. Whose wallet are you referring to there?

13 A. Hailong Zhu's wallet.

14 Q. Could you look at Exhibit 7-5, please? What is this
15 document?

16 A. These are notes that were in the Notes app of this phone,
17 and it appears to be showing account -- last four digits of
18 account numbers associated with Mingxing Trading LLC and the Sea
19 Dragon Remodel at Chase.

20 Q. Could you look at Exhibit 7-6, please? What is this
21 document?

22 A. These are various text messages to this device.

23 Q. What do these chats primarily consist of?

24 A. They consist of banks sending verification codes to this
25 phone number.

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1 Q. And so basically your review of the phone, what did you
2 conclude this phone was primarily used for?

3 A. This phone was primarily used to access Hailong Zhu's
4 online banking account at Sea Dragon -- the Sea Dragon accounts.

5 Q. Let's take a look at 7-7, so the last one from this
6 device. What is this exhibit?

7 A. This is a Cellebrite report showing the details of this
8 PDF, seadragon.article.pdf.

9 Q. More generally, does this exhibit contain numerous PDFs
10 found on the phone?

11 A. Yes, it does.

12 Q. If we look at page 2, what is the document?

13 A. Page 2 is the State of California articles of
14 incorporation for Sea Dragon Remodel Inc.

15 Q. And does the rest of this exhibit proceed similarly --
16 (Court reporter interruption.)

17 MS. BEDELL: I'm sorry. I'm trying to move quickly.

18 BY MS. BEDELL:

19 Q. Does the rest of this exhibit proceed similarly where the
20 first page is metadata and the second page is the document
21 itself?

22 A. Yes.

23 Q. Let's look at page 4. What is this document?

24 A. This is an IRS notification showing that Sea Dragon
25 Remodel received an employer identification number.

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1 Q. And then page 8, what is this?

2 A. This is the bank statement, Hailong Zhu's U.S. Bank, for
3 the period October 25th through November 22nd of 2022.

4 Q. Does the account end in 4148?

5 A. Yes.

6 Q. And is this Mr. Zhu's personal account?

7 A. Yes.

8 Q. Could you look at page 13, please? What is this?

9 A. Sorry, these aren't numbered here. This is the State of
10 California statement of information for Sea Dragon Remodel Inc.

11 Q. And then page 16, please, what is this?

12 A. This is the bank statement for East West Bank, account
13 ending 9074, in the name of Hailong Zhu.

14 Q. And this is a personal account?

15 A. That's correct.

16 Q. Moving on to exhibit -- the 8 series, group 8.

17 MS. BEDELL: I will read another stipulation.

18 "The following exhibits are true and accurate
19 depictions of data extracted from the iPhone 13 at Government's
20 Exhibit 8-1, through the use of GrayKey, a reliable forensic
21 access tool, that extracted data from the cell phone."

22 Exhibits 8-2, 8-3, 8-4, and 8-5; at this time, we would
23 move to admit those exhibits.

24 MR. WENSTRUP: No objection.

25 THE COURT: They will be admitted without objection.

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1 (Government's Exhibit Nos. 8-2 through 8-5 received in
2 evidence.)

3 MS. BEDELL: Could we look at Exhibit 8-2, please?

4 (Exhibit published.)

5 BY MS. BEDELL:

6 Q. Do you recognize this item?

7 A. I do.

8 Q. And what is it?

9 A. This is the preliminary device report showing the details
10 out of Item 8, which is one of the devices in Wong's possession.

11 Q. What is the device name of this device?

12 A. MingxingiPhone.

13 Q. And what is the Apple ID associated with the phone?

14 A. Mingxinglyn@gmail.com.

15 Q. What phone numbers are associated with this phone?

16 A. Phone number 5475.

17 Q. Is there also a phone number 1024?

18 A. Yes, there is.

19 Q. And was that one associated with the hailongiPhone and
20 Wong's primary phone as well?

21 A. Yes.

22 Q. Okay. Could you look at Exhibit 8-3? What is this
23 page -- or what is this exhibit?

24 A. This is a listing of user accounts associated with this
25 device.

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1 Q. Could you look at the account at the bottom of the first
2 page?

3 A. Number 6?

4 Q. Yes. What is the username?

5 A. The username is sunkangjun1967@gmail.com.

6 Q. Is that name associated with PBB International
7 Consulting?

8 A. Yes.

9 Q. Does this exhibit contain user accounts associated with
10 the names of Bofa Cai, Huimin Huang, and Yunzhu Xie, among
11 others?

12 A. Yes, it does.

13 Q. Let's jump to Exhibit 8-5; what is this exhibit?

14 A. This is the Cellebrite extraction report for -- well,
15 sorry. These are various emails from this device.

16 Q. And does the first page contain data about the email?

17 A. Yes, it does.

18 Q. And in the left column, what appears there?

19 A. In the left column, it shows the parties and the email.
20 So this one is from Chase to Bofa Cai's email address.

21 Q. And then what appears in this column labeled "content"?

22 A. It has the subject, and it has the body. The body is not
23 in a language that --

24 Q. I'm sorry, I could not hear that last --

25 A. It has the subject, and it has the body. The body is not

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1 in a language that we can read, so you have to pull up the
2 actual email to read it.

3 Q. And so turning to page 2, is this the actual email?

4 A. Yes.

5 Q. Does the rest of the exhibit proceed in a similar
6 fashion, alternating pages between metadata and the email?

7 A. Yes.

8 MS. BEDELL: Court's indulgence, Your Honor.

9 (Whereupon, there was a brief pause in the
10 proceedings.)

11 BY MS. BEDELL:

12 Q. We will move on to Exhibit 9-1. Could you take a look at
13 Exhibit 9-1? That is a phone that you have not previously
14 looked at. Actually, I apologize. Could you just generally
15 characterize the emails that were in the exhibit?

16 A. Yeah. So they were emails from banks noting alerts on
17 accounts. Anytime they would, you know, add a wire payment,
18 that would be sent back to them in an email, "successful wire
19 payment added." So mostly emails from banks.

20 Q. Now we will look at Exhibit 9-1. Do you recognize this
21 exhibit?

22 A. I do.

23 Q. What is it?

24 A. This is the phone belonging to Hailong Zhu that was found
25 at his residence along with a SIM card.

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1 Q. Did you receive and analyze a forensic copy of this
2 phone?

3 A. I did.

4 Q. And did you find the items and information relevant to
5 your investigation on that device?

6 A. Yes.

7 MS. BEDELL: The next stipulation, Your Honor:

8 "The following exhibits are true and accurate
9 depictions of data extracted from the iPhone 11 Pro Max at
10 Government's Exhibit 9-1, through the use of GrayKey, a reliable
11 forensic access tool, that extracted data from the cell phone."

12 9-2, 9-3, 9-4, 9-6A, and 9-7.

13 And then, additionally, regarding translations of chats
14 from extraction of iPhone 12 Pro Max, "Leyou Li, a contract
15 Chinese linguist, is the translator and owner of the translations
16 of WeChat chats from the" iPhone -- excuse me -- "11 Pro Max,
17 Government's Exhibit 9-1, found at 25W171 Essex Avenue,
18 Naperville-DuPage, Illinois. Mr. Li reviewed the chat
19 transcripts located at Government's Exhibit 9-6A and prepared a
20 translation of the chats located at Government's Exhibit 9-6.
21 The translations are fair and accurate to the best of Mr. Li's
22 knowledge and ability as a Chinese linguist. A copy of Mr. Li's
23 *curriculum vitae* is at Government's Exhibit 16-17 and is
24 admissible."

25 And so at this point, Your Honor, we would move to

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1 admit 9-2, 9-3, 9-4, 9-6, 9-6A, and 9-7.

2 THE COURT: Any objection?

3 MR. WENSTRUP: No objection.

4 THE COURT: They will be admitted without objection.

5 (Government's Exhibit Nos. 9-2, 9-3, 9-4, 9-6, 9-6A,
6 and 9-7 received in evidence.)

7 MS. BEDELL: Could we look at Exhibit 9-2?

8 BY MS. BEDELL:

9 Q. What is this device -- what is this exhibit?

10 A. This is the GrayKey progress report showing some of the
11 details of this device during the extraction.

12 Q. What is the device name here?

13 A. Device name is iPhone.

14 Q. And the model?

15 A. iPhone 11 Pro Max.

16 Q. What are the accounts associated with the phone?

17 A. Hailongzhu666@icloud.com, hailongzhu1983923@icloud.com.

18 Q. Does Exhibit 9-3 contain user accounts associated with
19 this phone?

20 A. Yes, it does.

21 Q. And are the user accounts associated with the phone
22 mostly those two iCloud accounts that you just read?

23 A. Yes.

24 Q. Let's take a look at Exhibit 9-4. What is this exhibit?

25 A. 9-4 is the metadata around a screenshot that was found on

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1 the device.

2 Q. And in backing up a little bit, does 9-4 contain a number
3 of images found on Mr. Zhu's phone? You can flip through the
4 pages of 9-4 and just confirm that.

5 A. Yes. There are two -- are you asking for the total
6 number of --

7 Q. No, no, just general -- what does it generally contain
8 within 9-4?

9 A. It's images found in Hailong Zhu's phone.

10 Q. Looking at page 1 here, you said this was the metadata,
11 but there's an image at the top. Is this a capture of what the
12 image is?

13 A. Yes.

14 Q. And what is on the -- in looking at that image itself,
15 what is depicted there?

16 A. This is the O Diamonds Trading Limited wire instructions.

17 Q. What is on the left in that image?

18 A. On the left is the -- is who the messages are coming in
19 from.

20 Q. So a list of other text messages that came in?

21 A. Yes.

22 Q. What is the text that came in from 66719?

23 A. That's a text message from U.S. Bank on the account
24 ending 4148.

25 Q. And that's his personal account?

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1 A. Yes.

2 Q. What is the creation date associated with this image?

3 A. 1/24/2023.

4 Q. Looking down at the file path here, it's a bit long, but
5 does it contain the location SplashBoard/Snapshots?

6 A. Yes, it does.

7 MS. BEDELL: Could we look at page 2, please?

8 BY MS. BEDELL:

9 Q. And what is depicted here?

10 A. This is the metadata associated with an image found in
11 this phone.

12 Q. What is included in -- what is the file path?

13 A. The file path is IMG_1069.PNG.

14 Q. Is that, perhaps, the file name?

15 A. Yes, that's the file name. You asked for the file path?

16 Q. Yes, at the top.

17 A. The directory?

18 Q. Yes.

19 A. DCIM.

20 Q. What is depicted on this sheet of paper?

21 A. 1140 South El Molino, Alhambra, California, and then a
22 phone number ending in 1546, and then that email address
23 zhuhailong.

24 Q. Have you seen this email address before?

25 A. Yes, I have.

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1 Q. Where was it?

2 A. I don't recall.

3 Q. Could you look at page 4, please? And is this just the
4 image itself that we had looked at the metadata for?

5 A. Yes.

6 Q. Do the rest of the images here proceed in the same
7 fashion?

8 A. Yes.

9 Q. For this one, we'll focus on the pages that actually
10 contain the metadata. So if we could look at page 5. Zooming
11 in on this top part, so we can see some of the opening
12 information, what is depicted here?

13 A. This is the IRS notification of an employer
14 identification number for Sea Dragon Trading LLC.

15 Q. What is the name of the file?

16 A. The name of the file is -- it's 1103.HEIC, and the DCIM
17 directory.

18 Q. Could we scroll down? What is the create date?

19 A. The --

20 Q. I'm sorry, you're right, it's right there.

21 A. The creation date is 12/14/2022.

22 MS. BEDELL: Can we look at page 8, please?

23 BY MS. BEDELL:

24 Q. And looking at the top, what is depicted here?

25 A. This is image 1105.HEIC, also in the DCIM directory. It

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1 is the California Secretary of State business filing for Sea
2 Dragon Trading, LLC.

3 Q. And what is the create date?

4 A. 12/14/2022.

5 MS. BEDELL: Can we look at page 8 -- I'm sorry --
6 page 11, please? And zooming in at the top again.

7 BY MS. BEDELL:

8 Q. What are we looking at here?

9 A. File name 1106.HEIC, also in the DCIM directory, on
10 12/14/2022. It is an image of the California Secretary of State
11 certified copy filing for Sea Dragon Trading LLC.

12 Q. Looking at page 14, what is depicted here?

13 A. 1107.HEIC, also in the DCIM directory, created on
14 12/14/2022. This is the state of California articles of
15 organization for Sea Dragon Trading LLC.

16 Q. Page 17, please, what is depicted here?

17 A. Image 1108.HEIC, in the DCIM directory, on 12/14/2022.
18 This is the state of California statement of information for Sea
19 Dragon Trading LLC.

20 Q. Page 20, please what is depicted here?

21 A. 1113.HEIC is the file name in the DCIM directory on
22 12/17/2022. It's an image of Hailong Zhu's Sea Dragon Remodel
23 Wells Fargo card and his, presumably, Illinois state ID card.

24 Q. And does that card depict his signature as well?

25 A. Yes.

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1 MS. BEDELL: Could we look at page 23, please?

2 BY MS. BEDELL:

3 Q. And what is -- what are we looking at here?

4 A. This is a 1124.PNG file in the DCIM directory created on
5 1/7/2023. This is a screenshot, looks like a screenshot of a
6 chat with Nikki, and the green text is Hailong Zhu.

7 Q. How do you know that that is Hailong Zhu?

8 A. The image for the profile of the ammunition and the
9 lighters seen elsewhere in his phone chatting with other
10 individuals.

11 Q. And what application is this chat from?

12 A. Excuse me?

13 Q. What application is this chat from?

14 A. We don't know -- I don't know the application, if this
15 was just a screenshot. We think it's WeChat because that's the
16 same picture on his WeChat, but this was a screenshot.

17 Q. Can we go to page 25? I think it will be easier to look
18 at. It's a close-up there. You mentioned that the picture
19 associated with Zhu's screenshot -- could we zoom next to that
20 first bubble so we can see what that is? Are you able to make
21 out what this is, Special Agent Saunders?

22 A. This image?

23 Q. Yes.

24 A. Yeah. There are handgun rounds, ammunition, three of
25 them, and then a lighter.

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1 Q. Could you look at the chat that was sent on 10/17, the
2 first image?

3 MS. BEDELL: Could we zoom in on that?

4 BY MS. BEDELL:

5 Q. And what is depicted in this image?

6 A. This appears to be Chase username and password.

7 Q. And can you see any names or recognizable words there?

8 A. Yeah. There's Sea Dragon and the password.

9 MS. BEDELL: Could we zoom back out and go to the
10 second chat?

11 BY MS. BEDELL:

12 Q. Who sent this image?

13 A. This image came from Hailong Zhu, and it's his Bank of
14 America card and it's the card number ending 8943 and his name
15 Hailong Zhu.

16 MS. BEDELL: Could we look at page 26, please?

17 BY MS. BEDELL:

18 Q. What is depicted here?

19 A. This is a -- this is an image of a boarding pass from
20 L.A. to Chicago.

21 Q. And what is the date?

22 A. The date is January 27th.

23 Q. And what is the name on the boarding pass?

24 A. The name? Zhu Hailong -- Hailong Zhu.

25 MS. BEDELL: Could we look at Exhibit 9-6, please?

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1 BY MS. BEDELL:

2 Q. What is this?

3 A. This is various WeChats found in Hailong Zhu's device.

4 Q. And which messages are from Zhu?

5 A. The ones that are in blue.

6 Q. And are those the ones ending 2812 as well?

7 A. Correct.

8 MS. BEDELL: Could we look to page 2, please?

9 BY MS. BEDELL:

10 Q. What is the first message from Zhu on this page?

11 A. This is what appears to be a screenshot with Mingxing's
12 itinerary for his flight. It says, "Your flight is booked."

13 Q. What is the date that this message was sent?

14 A. 9/2/2022.

15 MS. BEDELL: Could we turn to page 3?

16 BY MS. BEDELL:

17 Q. And does page 3 depict the bottom half of the screenshot?

18 A. Yes.

19 Q. And what are the additional details that are visible in
20 this bottom half of the screenshot?

21 A. It shows the actual flight information from Chicago to
22 Los Angeles on the United Airlines flight at 1:58 p.m.

23 Q. And on what date is the flight?

24 MS. BEDELL: Actually, sorry, I apologize. Going back
25 to the chats that you had previously pulled up.

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1 BY MS. BEDELL:

2 Q. Can you read what these messages say?

3 A. You mean to read after the image here starting with, "I'd
4 like you to book" -- so Hailong Zhu says on 9/2/2022, "I'd like
5 you to book me on a flight on the 6th at 1:48." And then user
6 ending in 021 says, "Didn't you already book this flight?"

7 Hailong Zhu: "Please check if there are the lights on
8 the 6th that is one or two hours later than the one already
9 booked."

10 Q. When it references "lights," what do you understand has
11 happened there?

12 A. We understand a typo, and that should be "flights."

13 Q. Could you look at page 5, please? Can you read the
14 second chat on page 5?

15 A. "My town fellow has already booked me a flight."

16 Q. Then what happens below that?

17 A. And then there was a screenshot of the flight
18 information.

19 Q. And what numbers are at the top there -- sorry.

20 MS. BEDELL: Scroll down a little bit.

21 BY MS. BEDELL:

22 Q. The date 9/6.

23 MR. WENSTRUP: Your Honor, just a point of
24 clarification. I know we're looking at English messages, but I
25 just wanted to clarify that these were -- the original messages

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1 were in Mandarin, and these have been subsequently translated by
2 a translator.

3 BY MS. BEDELL:

4 Q. Is that correct?

5 A. Yes, that's correct.

6 Q. And are the original Mandarin messages at Exhibit 9-6A?

7 A. Yes.

8 THE COURT: To be clear, Agent, there was no
9 communication between these individuals in the English language;
10 is that correct?

11 THE WITNESS: That's correct.

12 THE COURT: Let me be clear: What you're seeing is
13 translated versions of the original messages?

14 MS. BEDELL: Thank you, Your Honor.

15 Can we take a look at Exhibit 9-7, which is a CD?

16 (Video played.)

17 BY MS. BEDELL:

18 Q. What is the date on this video -- or what is this
19 exhibit?

20 A. This is -- the date is 12/10. It's a video from Hailong
21 Zhu's phone.

22 THE COURT: Counsel, let me ask you to stop just for
23 one second. I just need to speak with my clerks for a moment, so
24 if you could put on the noise machine, please.

25 (Whereupon, a discussion was held off the record.)

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1 THE COURT: You may continue.

2 MS. BEDELL: I'm sorry, could we just play 9-7 again?

3 (Video played.)

4 BY MS. BEDELL:

5 Q. Do you recognize the location that this video is filmed?

6 A. Yes. This is near Caesar's Palace on the Las Vegas
7 strip.

8 Q. This is -- this is the shot at the end of this video.
9 Who are the people depicted here?

10 A. The people that I recognize from this angle: In the blue
11 jean shirt is Joseph Wong, and then in the sweatshirt with the
12 white hood is Little 7, or Small 7.

13 Q. Is there one who appears to be standing in front of Wong?

14 A. Yes. You can make out her hair right there right in
15 front of Wong.

16 Q. Just to be clear, all of these exhibits in this 9 group
17 that we've gone through, these are all items that were found on
18 Hailong Zhu's iPhone?

19 A. That's correct.

20 Q. And where was that iPhone seized from?

21 A. The residence that he was staying in when we made the
22 arrest.

23 Q. And what city was that in?

24 A. Naperville, Illinois, off of Essex Avenue.

25 Q. As part of your investigation, did you look into various

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1 phone numbers that appeared in this case?

2 A. Yes, I did.

3 Q. And did you look into the phone number, that
4 (773) 828-1816?

5 A. I did.

6 Q. And was that the same phone number that was listed on
7 Mr. Zhu's personal bank account -- excuse me -- personal
8 U.S. Bank account?

9 A. The U.S. Bank account, yes.

10 Q. Is it the same number that was associated with the phone
11 seized from Zhu?

12 A. Yes.

13 Q. Did you receive records from T-Mobile regarding this
14 number?

15 A. I did.

16 MS. BEDELL: I want to read Stipulation No. 7.

17 "The United States and the defendant, Hailong Zhu,
18 stipulate and agree that the exhibits set forth below are
19 authentic, accurate copies of business records of T-Mobile, Inc.
20 that meet the requirements of Federal Rule of Evidence 902(11)
21 and 803(6). The defendant reserves his right to object to
22 admissibility on other grounds."

23 Exhibits 16-10 and 16-11; at this point, we would move
24 to admit those exhibits, Your Honor.

25 MR. WENSTRUP: No objection.

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1 THE COURT: Admitted without objection.

2 (Government's Exhibit Nos. 16-10 and 16-11 received in
3 evidence.)

4 MS. BEDELL: Could we look at Exhibit 16-10, please?
5 Actually, that's a CD, I believe. I apologize. That might be
6 16-11.

7 THE WITNESS: There's a 16-11 in here.

8 (Exhibit published.)

9 BY MS. BEDELL:

10 Q. What is contained on this CD?

11 A. It is the T-Mobile records for that 773 number.

12 Q. And is there a subscriber name listed when you reviewed
13 those records?

14 A. There was not.

15 Q. And why do you understand that to be?

16 A. It was a wholesale provider of a prepaid -- wholesale
17 providers, they oftentimes don't require you to provide
18 subscriber information.

19 Q. Now we can look at 16-10, which is in the binder.

20 MS. BEDELL: And if we could publish that, please.

21 (Exhibit published.)

22 BY MS. BEDELL:

23 Q. And what is this document?

24 A. 16-10 is the call detail records provided by T-Mobile for
25 this phone number ending in 1816.

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1 Q. And when do the call records start?

2 A. On January 5, 2022.

3 Q. Is that when this account was activated?

4 A. Yes. That's what the subscriber information says.

5 Q. Did you review these records?

6 A. I did.

7 Q. Are the calls with Wong's phone numbers ending in 1044
8 and 6466 numbers highlighted in red?

9 A. Yes.

10 MS. BEDELL: Could we turn to page 30?

11 BY MS. BEDELL:

12 Q. And in looking at page 30, is this the first time you saw
13 the 1816 number communicating with a number known to belong to
14 Joseph Wong?

15 A. Yes, on September 9th of 2022.

16 Q. And which number was that he was communicating with?

17 A. 6466.

18 Q. And does the 1816 number continue to be fairly regularly
19 in contact with the two numbers associated with Wong through
20 early January as reflected in these records?

21 A. Yes.

22 Q. And when do the records end?

23 A. They end on January the 20th, 2023.

24 Q. And why do they end on that date?

25 A. That was the date that we served the subpoena to

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1 T-Mobile.

2 Q. And did you find any other records of Zhu's calls with
3 this phone number?

4 A. Yes. In his phone, we saw the call records from his
5 actual device.

6 Q. And did you identify any other calls with Joseph Wong or
7 Nikki?

8 A. I did. Into February, there were calls with both
9 Joseph Wong and to Nikki.

10 Q. And can you describe -- do you know the duration of those
11 calls, approximate duration?

12 A. The call with Nikki was over three minutes long. The
13 call with Wong, I don't think was very long.

14 Q. Okay. Did you receive records from The Venetian that
15 were relevant to this investigation?

16 A. I did.

17 Q. What is The Venetian?

18 A. It's a casino in Las Vegas.

19 MS. BEDELL: At this point, I would read Stipulation
20 No. 8.

21 "The United States and the defendant, Hailong Zhu,
22 stipulate and agree that the exhibits set forth below are
23 authentic, accurate copies of business records of The Venetian
24 Resort and The Venetian Las Vegas Gaming that meet the
25 requirements of Federal Rule of Evidence 902(11) and 803(6). The

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1 defendant reserves his right to object to admissibility on other
2 grounds."

3 Exhibits 16-9 and 16-9B; at this point, we move to
4 admit those exhibits, Your Honor.

5 MR. WENSTRUP: No objection.

6 THE COURT: Admitted without objection.

7 (Government's Exhibit Nos. 16-9 and 16-9B received in
8 evidence.)

9 MS. BEDELL: Can we look at 16-9, please?

10 BY MS. BEDELL:

11 Q. What is this document?

12 A. This is the account information for Hailong Zhu that was
13 provided to The Venetian.

14 MS. BEDELL: And could we turn to page 2?

15 BY MS. BEDELL:

16 Q. What is reflected here?

17 A. This is a summary of his plays at The Venetian.

18 Q. How many trips did he make to Vegas where he visited The
19 Venetian?

20 A. There were five trips. The one on 12/23, it says he did
21 not play.

22 Q. Okay. And how are you understanding -- can you help us
23 understand what we're looking at in these records a little bit?

24 A. Yeah. So the first column here on 11/10/2022 was a
25 six-day play, as shown by the 6D there, and then it continues

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1 on.

2 Q. And so on that, it says -- excuse me. So just taking an
3 example of the 12/9 trip in the second column that's currently
4 on the screen, it says "12/09/22 4D"; what does that mean?

5 A. Four days of playing.

6 Q. And then above that, it says "2NP"; what does that mean?

7 A. Two days of not playing within that four-day time period.

8 Q. And for this trip, what was the cash deposit for that
9 trip?

10 A. \$75,000.

11 Q. And what were -- okay. Excuse me.

12 Could we look at the trip on, I believe, 11/10? It's the
13 first column on the top section. How long was this trip?

14 A. It was a six-day trip with three days of not playing.

15 Q. And what was his cash deposit for this trip?

16 A. 50,000.

17 Q. And then was there a cash buy-in at all?

18 A. Yes, of 2,000.

19 Q. What were his winnings on this trip?

20 A. He won a little over 13,000 -- 13,088.

21 Q. Did you review other records that reflect what he cashed
22 out from this trip?

23 A. Yes. Other Venetian records show his cash out of
24 approximately \$63,000.

25 Q. And what date was that on?

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1 A. It was around this same time frame.

2 Q. Did you see a large deposit into one of his bank accounts
3 following this trip?

4 A. Yes, I did.

5 MS. BEDELL: Can we look at Exhibit 12-2, please? If
6 we could pull that up, and then if we could --

7 BY MS. BEDELL:

8 Q. So what is that large deposit that is around this time
9 frame?

10 A. There was a large cash deposit of \$75,000 on
11 November 15th, and we know it's cash because of the currency
12 transaction report that was filed.

13 Q. Is that the currency transaction report at Exhibit 12-4?

14 A. Yes.

15 Q. Apologies. Returning back to 16-9; and on page 2, the
16 final column on that bottom screen, what is that column
17 depicting?

18 A. The accumulated figures for these five visits.

19 Q. What is the total cash that was deposited across these
20 visits?

21 A. The cash deposits are \$275,000.

22 MS. BEDELL: Could we look at Exhibit 16-9B, please?

23 (Exhibit published.)

24 BY MS. BEDELL:

25 Q. What are these reports -- or what is this document?

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1 A. These are surveillance notes taken by The Venetian.

2 Q. Could we go to the synopsis on the first note? What is
3 the activity reflected here?

4 A. It says that Hailong Zhu, his account ending in 110 at
5 spot 3, in 20,000 marker, table limits. Joseph Wong account
6 ending in 468. Spot 5 is pushing for Mr. Zhu.

7 So from talking to The Venetian, what we know what that
8 means is Joseph Wong is actually betting on behalf of Hailong
9 Zhu.

10 Q. And if we go to page 2, what is the synopsis of the
11 activity reflected there?

12 A. It says that Hailong Zhu is pushing for Joseph Wang.

13 Q. Is the account number for this Joseph Wang the same as
14 the account number we've seen for Joseph Wong on the previous
15 page?

16 A. It is.

17 Q. What is the date of this log?

18 A. 12/10/2022.

19 MS. BEDELL: Court's indulgence, Your Honor.

20 (Whereupon, there was a brief pause in the
21 proceedings.)

22 BY MS. BEDELL:

23 Q. One final question: You were here yesterday when we
24 reviewed evidence of guns that were found at Joseph Wong's home,
25 correct?

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1 **A.** Correct.

2 **Q.** Did you investigate those guns?

3 **A.** My understanding is that the agents found that the
4 weapons were lawfully registered.

5 **Q.** Okay.

6 MS. BEDELL: No further questions at this time, Your
7 Honor.

8 THE COURT: Thank you.

9 Ladies and gentlemen of the jury, would you like to
10 stand up and stretch for a moment while we switch to
11 cross-examination, and then try and push forward? Feel free to
12 stand up and stretch.

13 Mr. Wenstrup, if you're ready for cross-examination,
14 you can come forward.

15 MR. KAMENS: Your Honor, can counsel do the same?

16 THE COURT: Yes, and the witness as well.

17 MR. WENSTRUP: May I proceed, Your Honor?

18 THE COURT: You may.

19 CROSS-EXAMINATION

20 BY MR. WENSTRUP:

21 **Q.** Good afternoon --

22 **A.** Good afternoon.

23 **Q.** -- Special Agent Saunders.

24 Now, I'm going to take you back to the beginning of your
25 direct examination. You mentioned that you investigated a

1 platform called SIMEX?

2 A. That's correct.

3 Q. And that was the platform the scammers used to take money
4 from Ms. Chavez?

5 A. It wasn't on SIMEX. Ms. Chavez was a different one. I
6 think it was Gamma.

7 Q. Was that associated?

8 A. It was.

9 Q. And based on your investigation, there's no evidence that
10 Hailong had anything to do with managing or operating SIMEX?

11 A. Absolutely no evidence.

12 Q. And then earlier on direct, you also mentioned a man
13 named Kessler, I believe his last name was?

14 A. (No response.)

15 Q. That's correct?

16 A. That's correct.

17 Q. And there's no evidence that Hailong ever contacted
18 Mr. Kessler, correct?

19 A. None.

20 Q. And just like there's no evidence that he had contacted
21 any of the other victims?

22 A. Correct.

23 Q. Again, back on direct examination, there was -- you
24 reviewed three clips of video surveillance with Ms. Bedell; do
25 you remember that?

1 A. Yes.

2 Q. Now, in those clips, someone was with Hailong during each
3 bank interaction, correct?

4 A. Correct.

5 Q. And the first interaction, Wong was just a couple of feet
6 behind him, correct?

7 A. That's right.

8 Q. While Hailong was at the teller?

9 A. That's right.

10 Q. And then the second surveillance footage was from the
11 ATM, correct?

12 A. That's right.

13 Q. And, there, Wong and Hailong are basically next to each
14 other?

15 A. And Small 7 was also there as well.

16 Q. Thank you.

17 And then at the third surveillance footage, the woman
18 we've kind of referred to that you've identified as Nikki was
19 next to him at the teller window?

20 A. Yes; we believe that to be Nikki.

21 Q. And on the surveillance footage, you can see that while
22 she's at the teller window, Nikki is actually putting cash into
23 a bag?

24 A. Yes. It looks like Hailong's pulling the cash out of the
25 bag at the beginning, and then Nikki is putting the cash in the

1 bag, and then she exits without the bag.

2 Q. So during the transaction, Nikki is actually handling the
3 money during that transaction -- she is handling money during
4 that transaction?

5 A. She is handling money in addition to Hailong, yes.

6 Q. Now, you and Ms. Bedell also referred to a transaction
7 that I believe it was at the Bank of America at the Wynn casino;
8 am I remembering that correctly?

9 A. Yes. You're talking about the TRMS report from the bank?

10 Q. Yes.

11 A. Yes.

12 Q. Just so we're clear, was that at a Bank of America at the
13 Wynn casino?

14 A. That, I don't know. In that report, it said Wynn. In
15 terms of if the bank was inside the casino or not, that, I
16 wouldn't know.

17 Q. Got it. But it's a Bank of America location?

18 A. Correct.

19 Q. And that was an attempted withdrawal, correct?

20 A. Attempted, that's right.

21 Q. And we didn't see any CCTV from that account, right?

22 A. Any what?

23 Q. Any surveillance footage from that interaction, correct?

24 A. Not from that one.

25 MR. WENSTRUP: I would ask if the government can pull

1 up Exhibit 10-18.

2 (Exhibit published.)

3 BY MR. WENSTRUP:

4 Q. Do you mind, just in your binder, taking a look at
5 Exhibit 10-18?

6 A. Sure. Okay.

7 Q. So toward the end of that document, after the transaction
8 was declined, the notes there say that Hailong was confused,
9 correct?

10 A. I'm sorry, are you talking about the last page under the
11 narrative?

12 Q. Yes. Thank you.

13 A. Let me read it. Do you want me to read the whole thing?

14 Q. Go ahead and read it, sure.

15 A. [As read]: Hailong Zhu visited FC 12/10/2022 around
16 9:50 a.m. requesting to withdraw 74,988 in cash. He just
17 received a wire transfer of 75,000 the day prior, on 12/9/2022.
18 When we asked him who was sending the funds, he seemed confused
19 and he was not able to provide a name.

20 Q. When the decline occurred, the report describes Hailong
21 is confused, correct?

22 A. Correct.

23 Q. And he told them that he would need to check his phone,
24 correct?

25 A. That's correct, and then he said it was for some

1 remodeling he did for someone.

2 Q. All right. And then -- if you recall, there was also an
3 occurrence where Hailong had attempted to make a withdrawal with
4 a Ms. Andrea Pozos, correct, from U.S. Bank?

5 A. At U.S. Bank, yep.

6 Q. And in that interaction, she said she also declined his
7 transaction, correct?

8 A. That's right.

9 Q. And at that point, she -- in that interaction, she said
10 that he asked her what to do at that point, correct?

11 A. (No response.)

12 Q. I can just be a little more clear. In this interaction,
13 once the transaction was declined, he said he was -- the report
14 says that Hailong was confused and had to check his phone. In
15 the interaction with Ms. Pozos, she said that after she declined
16 the international transfer, he then asked her if there was
17 anything that he could do?

18 MS. BEDELL: Objection, Your Honor; he's just repeating
19 the other witness' testimony at this point.

20 THE COURT: Just ask a simple question. Let him answer
21 if he remembers the testimony. The jury's recollection will
22 recall.

23 MR. WENSTRUP: I think the point was made, Your Honor.
24 We can save time and move on.

25 /////

1 BY MR. WENSTRUP:

2 Q. And then -- actually, I want to go back. You mentioned
3 with Ms. Bedell a picture of a power bill with Hailong's name on
4 it, correct?

5 A. Correct.

6 Q. And I think you testified that that image was found on
7 his phone?

8 A. Correct.

9 Q. And it was your belief, based on that power bill, that he
10 resided at the house?

11 A. Yes. Typically, if your name --

12 Q. It was just yes or no.

13 A. Yes.

14 Q. So you did conduct some surveillance operations in this
15 case, correct?

16 A. We did.

17 Q. Okay. But no Secret Service agent ever observed Hailong
18 at that address, correct?

19 A. When I did the surveillance, it was after he had already
20 left L.A.

21 Q. I appreciate that. I'm asking during any surveillance at
22 any time, did any Secret Service agent observe Hailong at that
23 address?

24 A. No.

25 Q. And did you ever conduct a search on this address?

1 **A.** On which address?

2 **Q.** The El Molino address where you were saying he lived.

3 **A.** Like, a search warrant?

4 **Q.** Yes.

5 **A.** No.

6 **Q.** So the Secret Service never searched the inside of this
7 house?

8 **A.** No.

9 **Q.** So the Secret Service never found any of Hailong's
10 belongings in this house?

11 **A.** No.

12 **Q.** The Secret Service never found a bedroom for Hailong at
13 this house?

14 **A.** No.

15 **Q.** The Secret Service never found a phone or electronics of
16 his at this house?

17 **A.** No.

18 **Q.** The Secret Service never found pictures of his or his
19 loved ones at this house?

20 **A.** No.

21 **Q.** So there was no evidence from the house itself that
22 Hailong lived there?

23 **A.** Later on when we were looking for Wong, we did speak with
24 someone at that residence, and that individual did say that she
25 recognized his name and that he did reside there.

~~Saunders - Cross - Wenstrup~~

1 Q. Who was this person?

2 A. She said to have lived there. There's an interview
3 report on it.

4 Q. I'm just asking do you remember who this person was that
5 said that he lived there?

6 A. I don't.

7 Q. Do you remember -- did you do an identification
8 procedure?

9 A. No.

10 Q. What race was this person?

11 A. What race was she?

12 Q. Yes.

13 A. She appeared to be, like, Asian.

14 Q. Like, Asian? Do you know where she was from?

15 A. No.

16 Q. Did you talk to her at all about identifying people of
17 Asian origin?

18 A. No. She just said that she recognized Hailong Zhu's
19 name.

20 Q. She recognized his name?

21 A. Yeah.

22 Q. She didn't say that she had ever seen him there?

23 A. She said that he used to stay there.

24 Q. Did she say that she had seen him there?

25 A. I guess not exactly like that. I don't recall. I just

~~Diane Salters, B.S., CSR, RPR, RCR~~

Official Court Reporter

1 know that she said that --

2 Q. Let me back up and save us some time. I'm asking -- she
3 told you that he resided there?

4 A. That's correct.

5 Q. And I'm just asking did you ask follow-up questions about
6 whether she had seen him there, whether she had seen his
7 belongings there? Did you ask those kind of follow-up
8 questions?

9 A. She couldn't remember the time period that he was there,
10 and so we did not ask any additional follow-up questions on
11 that.

12 Q. So after -- so when you asked follow-up questions, she
13 just said she couldn't remember when he resided there, and no
14 more follow-up questions about whether he lived there or not?

15 A. No more follow-up questions about Hailong Zhu, correct.

16 Q. We've also established that other people possessed
17 Hailong's bank documents and papers and account information for
18 Hailong, correct?

19 A. Correct.

20 Q. And so it's certainly possible that someone put his name
21 on the power account and he didn't live there, correct; that's
22 possible?

23 A. I presume that is possible, yeah.

24 Q. Now, I guess just thinking about these accounts a little
25 more broadly, if Mr. -- if Hailong was in control or -- if he

1 was in control of his bank accounts, he would have had the
2 ability to withdraw money from the accounts anytime there was
3 money in them, correct?

4 A. Yes. Are we talking about his Sea Dragon accounts or his
5 personal accounts?

6 Q. Let's start with the Sea Dragon accounts.

7 A. Okay.

8 Q. So if he was in control of the Sea Dragon accounts, then
9 anytime there was money in them, he would have had the capacity
10 to withdraw the money, correct?

11 A. That's correct.

12 Q. For example, if he thought he was owed money by the
13 conspiracy and he had control of the bank accounts, he could
14 have just -- he would have had the capacity to just make a
15 withdrawal and keep that money, correct?

16 A. That's correct.

17 Q. To your knowledge, he never did that, correct?

18 A. To my knowledge --

19 Q. To your knowledge, he never withdrew a large amount of
20 money and kept it for himself, kept it for his personal use,
21 correct?

22 A. Correct. Cash is hard for us sometimes to verify where
23 it goes after that, so --

24 Q. Let me stop you there. Do you believe, based on the
25 totality of your investigation, that at any point, Hailong had

~~Saunders - Cross - Wenstrup~~

1 withdrew large amounts of money from these Sea Dragon accounts
2 and then kept it for himself?

3 A. Large amounts, no.

4 Q. So I want to go to -- talk a little bit about the chats
5 between Nikki, Little 7, and Joseph Wong; and in those chats,
6 Nikki is repeatedly giving instructions to Wong, correct?

7 A. Yes, sir.

8 Q. She's giving instructions to him to take people to banks,
9 correct?

10 A. Right.

11 Q. She's giving him instructions about how to handle the
12 accounts?

13 A. Right.

14 Q. Nikki is giving instructions to Joseph about how to
15 problem-solve when problems come up with the accounts?

16 A. Yes.

17 Q. Obviously, Hailong is not on these chats, correct?

18 A. He's not.

19 Q. And so Nikki wasn't giving instructions to Hailong about
20 how to problem-solve with these accounts, correct?

21 A. She was not.

22 MR. WENSTRUP: I'd ask if the government could publish
23 Exhibit 5-12, page 4.

24 (Exhibit published.)

25 /////

~~Diane Salters, B.S., CSR, RPR, RCR~~

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1 BY MR. WENSTRUP:

2 Q. And I would like -- I would just ask that you take a look
3 at the chat excerpts on the bottom. Now, would you mind reading
4 the first line of the English translation?

5 A. Yes.

6 "Nikki: Hailong just asked, Don't we go to Wynn this
7 time? Laughing emoji."

8 Q. And then can you read Joseph's response?

9 A. "Joseph: Ha ha! He's got an idea."

10 Q. And so, there, he is comment- -- Joseph is commenting
11 that Hailong has an idea that's of his own to go to Wynn, and
12 he's laughing at that idea, correct?

13 A. Yeah, that's what the chat says.

14 Q. And then after that -- we'll save you from reading
15 emojis -- but Little 7 also sends chuckling emojis, right?

16 A. Right.

17 Q. And those are in response that Hailong has an idea of his
18 own, correct?

19 A. Correct.

20 Q. Essentially, they're laughing at him for having an idea?

21 A. I mean, I don't know that the context -- if they're
22 laughing at the idea. It appears that they are, though, yes.

23 Q. And so you talked a little bit about the contents of
24 Joseph's phone. You mentioned that there was an enormous amount
25 of chats on that phone?

1 A. Right.

2 Q. I think you said terabytes of chats?

3 A. Yeah, on all his phones combined, yeah.

4 Q. And those chats that -- those terabytes included chats
5 between Nikki, Joseph, and Little 7, correct?

6 A. Correct.

7 Q. Okay. And so some of the chats between Nikki, Joseph,
8 and Little 7 were translated into English, correct?

9 A. Correct.

10 Q. But there were so many chats that there are actually
11 chats between those three people that weren't translated,
12 correct?

13 A. We attempted to get all of them, all of the chats with
14 Nikki and Small 7 -- or Little 7. I keep calling him "Small 7"
15 because that's what I've been calling him the whole time.

16 Q. No problem.

17 A. We attempted to get all of them.

18 Q. So, I guess, "attempted," just for clarity: Did you get
19 all of them translated?

20 A. I mean, we might not have, but we attempted to locate all
21 of them. If there were other WeChat usernames that we didn't
22 recognize, that's where it became hard to figure out who's on
23 the other side of that WeChat.

24 Q. Sure. So after your attempts to identify all of the
25 chats between these three people, it's possible that there are

1 even more chats between them out there?

2 A. Sure.

3 Q. I just want to review --

4 MR. WENSTRUP: I'd ask if the government wouldn't mind
5 publishing starting at 5-12, page 1, just some of the photographs
6 found on Hailong's phone.

7 (Exhibit published.)

8 A. You said 5-12? I don't believe that's Hailong's phone.

9 Q. I apologize.

10 MR. WENSTRUP: Court's indulgence just for a second.

11 (Whereupon, there was a brief pause in the
12 proceedings.)

13 MR. WENSTRUP: I appreciate the Court's indulgence.
14 It's the wrong exhibit.

15 BY MR. WENSTRUP:

16 Q. So we're looking at 9-4, page 1, and so there's a
17 screenshot there up at the top, correct?

18 A. Yes, there is.

19 Q. And that's got O Diamonds Trading Limited Room B2 --
20 there's a bank name -- I'm sorry -- there's an account name and
21 address --

22 A. Right.

23 Q. -- on that screenshot, correct?

24 A. That's correct.

25 Q. I have a little trouble seeing beneath that, but it

~~Saunders - Cross - Wenstrup~~

1 appears beneath that there are two numbers, correct?

2 A. Correct.

3 Q. So we've got a bank name -- I'm sorry -- an account name,
4 an address below it, and two numbers beneath that, correct?

5 A. Correct.

6 Q. I appreciate -- do you read Mandarin?

7 A. Not at all.

8 Q. I don't either.

9 So is it possible that those two numbers might be an
10 account number and a routing number?

11 A. It is possible.

12 Q. And so this account name, account address, potentially
13 account number, and routing number, that's all information a
14 person would need if they were asked to complete a bank
15 transfer, correct?

16 A. That's correct.

17 Q. Now, I'd like to -- I know we mentioned this briefly on
18 direct.

19 MR. WENSTRUP: I apologize. If we could just go to
20 page 4.

21 BY MR. WENSTRUP:

22 Q. So, there, we've got a picture of what appears to be an
23 address, phone number, and an email address, correct?

24 A. That's correct.

25 Q. Now, I guess -- Agent Saunders, in your day-to-day life,

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1 do you write down a note to yourself with your own phone number?

2 A. I do not.

3 Q. With your own email?

4 A. I do not.

5 Q. With your own address?

6 A. Nope.

7 Q. And do you ever write down phone numbers, addresses,
8 email addresses that are not yours?

9 A. If I need to --

10 Q. In your day-to-day life, do you ever write those things
11 down?

12 A. That are not mine?

13 Q. That is not yours. Someone gives you a phone number to
14 call later, do you ever write it down?

15 A. I put it in my phone, so no.

16 Q. Never. All right. You're beyond handwritten notes?

17 A. Yes.

18 Q. Do you think it's possible that someone might write down
19 information that they need to remember later?

20 A. Yes.

21 Q. I know some of these things, I think, we can move through
22 quickly. You and Ms. Bedell reviewed an IRS form, California
23 Secretary of State paperwork in Hailong's phone, correct?

24 A. That's correct.

25 Q. And all of those documents were in English, correct?

~~Saunders - Cross - Wenstrup~~

1 A. They were what?

2 Q. In English.

3 A. Yes.

4 Q. And then you also reviewed that there was a picture of a
5 Wells Fargo card in his phone, correct?

6 A. That's correct.

7 Q. And, actually, the account number wasn't visible in that
8 picture, correct?

9 A. Correct.

10 MR. WENSTRUP: Court's indulgence just for a moment.

11 (Whereupon, there was a brief pause in the
12 proceedings.)

13 BY MR. WENSTRUP:

14 Q. I'm going to consult with Lorraine here, just because
15 we're so deep into the page numbers that I lost count.

16 MR. WENSTRUP: I'm going to ask that the government
17 publish the screenshot without the metadata, a screenshot of the
18 text. I ask that we not -- without the metadata so we can see
19 it. It will be a little bigger.

20 (Exhibit published.)

21 A. I don't know if there is one; is there? Oh, yeah, there
22 is. I see it right here.

23 Q. And so I guess rather than have us skip around pages,
24 this is a blown-up image that is sent by Nikki to Hailong,
25 correct?

~~Diane Salters, B.S., CSR, RPR, RCR~~

Official Court Reporter

~~Saunders - Cross - Wenstrup~~

1 A. Correct.

2 Q. I assume you've looked at a close-up of this image,
3 correct, in the course of your investigation?

4 A. Yes.

5 Q. Okay. And this image is Nikki sending Hailong
6 information about his own bank accounts, correct?

7 A. Are you talking about the first image? Oh, this one?
8 Sorry. I thought -- yes, correct.

9 Q. And just to be clear, the image we're looking at is,
10 that's Nikki sending Hailong information about his own accounts,
11 correct?

12 A. Yes. It appears to be -- obviously, we don't know what
13 the passwords -- like, what accounts they go to, but it appears
14 to be online login information.

15 Q. Okay. And that is information that, clearly, Nikki has,
16 correct?

17 A. It came from her.

18 Q. It came from her. And she has to send it to Hailong?

19 A. That's correct.

20 MR. WENSTRUP: Court's indulgence just for a moment.

21 (Whereupon, there was a brief pause in the
22 proceedings.)

23 MR. WENSTRUP: Thank you.

24 BY MR. WENSTRUP:

25 Q. Just a quick point of clarification about the phones.

~~Diane Salters, B.S., CSR, RPR, RCR~~

Official Court Reporter

1 We've heard -- we just saw all these images from Hailong's
2 phone, correct?

3 A. Correct.

4 Q. And I think -- I just want to make sure that we're clear,
5 because when we were talking about Hailong's phone, we're not
6 talking about hailongiPhone, correct?

7 A. Correct, yes.

8 Q. Because Hailong's phone, we're talking about the one that
9 was recovered from the search of him in Chicago?

10 A. Right.

11 Q. And hailongiPhone was the one that accessed his bank
12 accounts and was found in the search of Wong's -- and was found
13 in Wong's backpack?

14 A. That's correct.

15 Q. And so to take us back a little bit to the entirety of
16 the investigation here --

17 THE COURT: Mr. Wenstrup, I'm going to interrupt. I'm
18 sensitive to how long we've been sitting here. I was, perhaps,
19 in my own mind, optimistically thinking we could finish
20 cross-examination and redirect and be able to take our lunch
21 break, but I'm beginning to think that that may not be realistic.
22 I don't want to rush you.

23 MR. WENSTRUP: I imagine we're in the ballpark of ten
24 minutes.

25 THE COURT: Ladies and gentlemen, I'm going to take an

1 informal poll. If you can make it another 20 minutes, it may be
2 a logical place to stop, but have a little bit longer lunch
3 break, are you willing to do that? I don't want anyone to feel
4 they have to.

5 I'm seeing nodding heads and thumbs up.

6 Counsel, you're both challenged to try and accommodate
7 the jury's generosity here.

8 If anyone at any point really needs a break, let us
9 know, but that will, I think, help us all.

10 You may continue.

11 MR. WENSTRUP: Thank you, Your Honor.

12 BY MR. WENSTRUP:

13 Q. So relatively early on in this investigation, you came
14 upon Hailong's name?

15 A. That's correct.

16 Q. And --

17 A. Well, I came upon the Sea Dragon bank account first.

18 Q. Thank you.

19 So one of Marisol Chavez's wire transfers went to a Sea
20 Dragon account?

21 A. Correct.

22 Q. Of course, when you looked at the account name on that
23 bank account, the account was in the name of Sea Dragon LLC or
24 Trading or --

25 A. Right.

1 Q. Or something like that? That's right?

2 A. Correct.

3 Q. And then when you looked at the signatory on the account,
4 the name on that was Hailong Zhu, correct?

5 A. That's correct.

6 Q. And so because the account in his name, or where he was
7 the signatory, received funds from a scam, you suspected he
8 could be involved in the scam?

9 A. Correct.

10 Q. And as a result, you also looked into the business of Sea
11 Dragon Remodelling [sic] or -- you looked into the Sea Dragon
12 account, correct?

13 A. Correct.

14 Q. And Hailong's name was on those too?

15 A. Correct.

16 Q. And he was the sole accountholder?

17 A. Correct.

18 Q. Okay. And you began identifying Sea Dragon bank
19 accounts?

20 A. Correct.

21 Q. And you spoke to officials at the banks, some of whom had
22 already started investigating the accounts?

23 A. Correct.

24 Q. And they identified the device that accessed the accounts
25 as hailongiPhone?

1 A. On their online logins, yes.

2 Q. Thank you. The banks identified, online, the logins to
3 the Sea Dragon accounts were coming from a device called
4 hailongiPhone, correct?

5 A. Yes, and that is only from the Chase accounts. The other
6 accounts didn't capture as much information.

7 Q. But when you checked the device name, it's hailongiPhone,
8 correct?

9 A. That's correct.

10 Q. And so Hailong's name comes up again, correct?

11 A. That's correct.

12 Q. And the fact that it was Hailong's iPhone used to access
13 these accounts contributed to you suspecting that Hailong could
14 be involved?

15 A. Yes.

16 Q. And so Hailong's name on the accounts, this is exactly
17 why Wong was recruiting people like Hailong, correct?

18 A. We have not been able to speak with Wong, so I'm not -- I
19 haven't been able to, so I'm not sure why he chose, you know,
20 different types of people to manage. But, yes, Wong does have a
21 pattern of managing other people as well.

22 Q. Right. And so because -- Hailong put his own name on the
23 company's documents, correct?

24 A. Say that again. I'm sorry.

25 Q. Hailong put his own name on the company's documents?

1 A. Yes.

2 Q. And he put his own name on the bank accounts?

3 A. Yes.

4 Q. All right. And Wong did not put his name on the bank
5 accounts -- I'm sorry, Wong -- you talked about Wong's pattern;
6 and in Wong's pattern, typically, on these company's bank
7 accounts, his name wasn't there?

8 A. That's correct.

9 Q. And as a result, when bank authorities flagged a bank
10 account for fraud, it was Hailong's name on that account,
11 correct?

12 A. That's correct.

13 Q. Not Wong's?

14 A. That is correct.

15 Q. And when bank authorities flagged a company making
16 suspicious trades, it would be Hailong's name on the company,
17 correct?

18 A. That's correct.

19 Q. Not Wong's?

20 A. That's correct.

21 Q. And, for example, when the Secret Service investigates a
22 fraud related to one of these bank accounts, it would be
23 Hailong's name on the account, correct?

24 A. When we get the records back from the bank, it will show
25 Hailong's name, that's correct.

1 Q. Not Wong's?

2 A. That's correct.

3 Q. And so the frauds will be tied to Hailong's name?

4 A. Yes.

5 Q. And the investigators, as a result, will be looking at
6 Hailong and not Wong initially?

7 A. Initially, yes, but we are most definitely looking at
8 Wong.

9 Q. Fair enough. But initially when the investigation
10 starts, you're looking at Hailong and not Wong, correct?

11 A. That's correct.

12 Q. Now, by February 2023, you suspected Joseph Wong was
13 involved?

14 A. February of '23, yes, that sounds right.

15 Q. And you can -- in February 2023, you conducted
16 surveillance on Wong, right?

17 A. Yes.

18 Q. We heard a little of that surveillance yesterday?

19 A. Yep.

20 Q. On February 6, 2023, the Secret Service observed Wong
21 picking up a person and going in with them to multiple banks?

22 A. Correct.

23 Q. And on February 7th, the Secret Service observed Wong
24 picking up multiple people and going in with them to multiple
25 banks?

~~Saunders - Cross - Wenstrup~~

1 A. Yes.

2 Q. So by early February, the Secret Service had observed
3 Wong bringing multiple people to multiple banks?

4 A. That's right.

5 Q. But the Secret Service still believed that Hailong
6 maintained control of the Sea Dragon accounts?

7 A. Yes. At that point, we had not been able to seize Wong's
8 phones.

9 Q. So you believed that before the search of Wong's home?

10 A. Correct.

11 Q. So we heard a little bit about that search yesterday. We
12 just discussed the Sea Dragon accounts a couple of minutes ago,
13 and Hailong was a named accountholder on the Sea Dragon
14 accounts?

15 A. Yes.

16 Q. And his name on those accounts contributed to you
17 thinking he was a suspect?

18 A. Yes, of course.

19 Q. And during the search of Wong's house, the Secret Service
20 found the bank cards for the Sea Dragon accounts at Wong's
21 house?

22 A. Yes, they did.

23 Q. And I believe the Secret Service found about ten bank
24 cards in Hailong's name at Wong's house?

25 A. That sounds about right.

~~Diane Salters, B.S., CSR, RPR, RCR~~

Official Court Reporter

1 Q. And the Secret Service found account statements for the
2 Sea Dragon accounts at Wong's house?

3 A. Yes, we did.

4 Q. The Secret Service found videos where Wong was calling
5 banks and discussing the Sea Dragon accounts, correct?

6 A. Yes. That was found much later on because it took a
7 while to examine the phones. I just don't want you thinking
8 that we saw it the day of.

9 Q. I appreciate that. I understand that the extraction
10 of --

11 A. Yes.

12 Q. -- phones, as Mr. Cruz told us about, is not
13 instantaneous.

14 A. Yes.

15 Q. But they -- that video, the phone where that video was --

16 THE INTERPRETER: Your Honor, the receiver is out of
17 batteries. May we change the batteries?

18 THE COURT: Yes. Thank you.

19 (Whereupon, there was a brief pause in the
20 proceedings.)

21 THE COURT: Are you ready?

22 THE INTERPRETER: Yes.

23 BY MR. WENSTRUP:

24 Q. And on these videos of calls, Wong recorded himself
25 pretending to be Hailong?

1 A. Yes.

2 Q. And Wong recorded himself telling the banks that he was
3 Hailong Zhu?

4 A. Yes.

5 Q. And in those videos, the banks proceeded to discuss the
6 Sea Dragon accounts with Wong?

7 A. Yes.

8 Q. And, again, we discussed earlier that the device name
9 hailongiPhone contributed to you thinking that Hailong was a
10 suspect, correct?

11 A. Correct.

12 Q. The name of the device --

13 A. Contributed to it, yes, correct.

14 Q. And so during the search of Wong's home, the Secret
15 Service found that device, correct?

16 A. That's correct.

17 Q. They found the device hailongiPhone in Wong's room,
18 correct?

19 A. Yes.

20 Q. And that was one of the main phones recovered at Wong's
21 house?

22 A. I believe there were eight phones. Yes.

23 Q. In that search of Wong's house, the Secret Service found
24 documents from other accounts, not just Hailong's, correct?

25 A. That's correct.

~~Saunders - Cross - Wenstrup~~

1 Q. There was a pile of bank cards that did not belong to
2 Mr. Wong?

3 A. Right.

4 Q. And the search of Wong and his property, the Secret
5 Service also found checks made out to other people, correct? If
6 you're having a hard time remembering, for example, in Wong's
7 car, the Secret Service found a cashier's check for \$72,000?

8 A. Yes, we did.

9 Q. And that check was from Bank of the West?

10 A. Yes. I think that was the Good Luck Trading.

11 Q. Exactly. So that check was made payable to the Good Luck
12 Trading LLC?

13 A. Right.

14 Q. And the memo on the account said "checking account
15 closure"?

16 A. That's correct.

17 Q. And that memo indicates it's a check sent by the bank to
18 the accountholder after the account has been closed, correct?

19 A. Yes, that's right.

20 Q. It was supposed to be sent to the accountholder, correct?

21 A. Yes.

22 Q. A check, when a bank account has been closed, is sent --
23 is supposed to be sent to the accountholder, correct?

24 A. Yeah. The bank is going to send a check to whatever
25 address is on the account, so the address on the account would

~~Diane Salters, B.S., CSR, RPR, RCR~~

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1 have been that -- presumably, would have been the 2220 Falling
2 Leaf.

3 Q. And just to be clear, Joseph Wong is not the
4 accountholder for Good Luck Trading LLC?

5 A. He's not.

6 Q. He had not registered the Good Luck Trading business,
7 correct?

8 A. No.

9 Q. But your investigation showed that Good Luck Trading's
10 account address was the address where Wong resided?

11 A. I believe so, yes.

12 Q. And Wong was in possession of Good Luck Trading's \$72,000
13 check?

14 A. Correct, yes.

15 Q. So after this search, Wong was questioned by the Secret
16 Service?

17 A. That's right.

18 Q. And he was released?

19 A. That's right.

20 Q. Now, on the very same day that the Secret Service
21 conducted the search of Wong, they also searched Hailong and his
22 residence, correct?

23 A. Yes.

24 Q. Those two searches happened on the exact same day?

25 A. That's correct.

~~Saunders - Cross - Wenstrup~~

1 Q. And that was coordinated?

2 A. That's right.

3 Q. You were present at the search of Hailong's residence,
4 correct?

5 A. Yes.

6 Q. And in that search, you did not find any identification
7 documents in other people's names?

8 A. No.

9 Q. You did not find any bank cards in other people's names?

10 A. Nope.

11 Q. You did not find any bank account documents in other
12 people's names?

13 A. No.

14 Q. You did not find any checking accounts made out to -- I'm
15 sorry -- you did not find any checks made out to other people?

16 A. No.

17 Q. You did not find an assault rifle?

18 A. No.

19 Q. Didn't find a pistol?

20 A. No.

21 Q. Didn't find any suspected narcotics at Hailong's
22 residence?

23 A. No.

24 Q. And after the search, Hailong agreed to speak with you?

25 A. Yes.

~~Diane Salters, B.S., CSR, RPR, RCR~~

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1 Q. And he signed a *Miranda* waiver?

2 A. Yes.

3 Q. And he spoke with you and Agent Shi at length?

4 A. Correct.

5 Q. And during that interview, Agent Shi told you that
6 Hailong said he had been scammed?

7 A. Can you refresh -- I don't recall the details of that
8 interview.

9 Q. Passing up page 63 of the transcript, just look up when
10 your recollection is refreshed.

11 A. This is the transcript? Which -- I'm sorry, which line?

12 Q. I apologize. I think that my colleague just passed that
13 over, and I forgot to take note of the line before passing it to
14 you. Take a look at whatever you need to refresh your
15 recollection, but I believe it to be 730.

16 A. Yes. He said, "I felt like they were scamming me."

17 Q. And, now, at the end of this conversation -- I'm sorry,
18 you can pass that back up.

19 At the end of the conversation with you and Agent Shi,
20 Hailong was arrested?

21 A. That's correct.

22 Q. And after the searches of Wong and Hailong's residence,
23 Hailong was in federal custody?

24 A. That's correct.

25 Q. And Wong was free?

1 A. Wong was free, and then we later indicted him.

2 Q. So the search of Wong's residence changed your belief
3 about the way this entire scheme worked?

4 A. Yes, it did.

5 Q. So after the search, you believed that Wong directed
6 Hailong and others to incorporate businesses for the sole
7 purposes -- sorry -- for the sole purpose of opening business
8 accounts?

9 A. Can you repeat that again? Sorry. That was a long one.

10 Q. Sure. After the search, you believed that Wong directed
11 Zhu and others to incorporate businesses for the sole purpose of
12 opening business accounts?

13 A. Correct, yes.

14 Q. You believed that Wong directed individuals, including
15 Hailong, to incorporate businesses with names that related to
16 the name of the person opening the accounts?

17 A. Yes, that's correct.

18 Q. Probably to make it easier to remember, right?

19 A. I think so too.

20 Q. And so that's why we've got Hailong businesses were
21 called Sea Dragon?

22 A. Yep.

23 Q. So after the search, you believe that Wong directed
24 Hailong to open the Sea Dragon accounts?

25 A. Yes, I do.

1 Q. And you believe that Wong directed and supervised the
2 opening and control of Hailong's accounts?

3 A. His business accounts, yes.

4 Q. After the search, you believe that Wong also directed and
5 supervised the opening and control of Good Luck Trading
6 accounts?

7 A. I do.

8 Q. And after the search, you believe that Wong used devices
9 to conduct bank activities in the names of other people?

10 A. Yes, he did.

11 Q. You believe that Wong used devices to conduct bank
12 activities in the name of Hailong?

13 A. Yes, I do.

14 Q. You believe that Wong used devices to direct wire
15 transfers in the name of Hailong?

16 A. Yes. It does appear that he might have executed wires
17 from that device as well.

18 Q. You believe that Wong used devices to direct wire
19 transfers in Hailong's name?

20 A. From Hailong's accounts, yes.

21 Q. Yes.

22 A. Yes.

23 Q. And after the search, you believe that Wong had posed as
24 Hailong and others when calling the banks about their bank
25 accounts?

1 **A.** He did do that, yes.

2 MR. WENSTRUP: No further questions.

3 THE COURT: Thank you.

4 Any redirect?

5 MS. BEDELL: Court's indulgence.

6 (Whereupon, there was a brief pause in the
7 proceedings.)

8 MS. BEDELL: No redirect, Your Honor.

9 THE COURT: Very good.

10 Special Agent, you may step down.

11 THE COURT: Ladies and gentlemen, thank you very much
12 for your willingness to last this long. Again, as I said, we
13 appreciate it, I know counsel appreciate it, but this provides us
14 with a good opportunity to stop for lunch. Let's take a slightly
15 longer lunch to give you the chance to relax. I know you want to
16 get as much done as you can, and so we will, I can assure you,
17 use the time productively while you are eating. So let us resume
18 -- it's almost 1:30 -- plan on starting at 2:45. If you come
19 back five minutes early and we're ready to go, we'll bring you
20 in, but take the time that you want, and that way you can plan on
21 2:45. It's very important, even at this point in the litigation,
22 to follow all of my instructions. Do not discuss the case; do
23 not form any opinions; wait until the point at which you are
24 directed to deliberate; and do not undertake any investigation,
25 or an effort to look into the matter any further.

~~Proceedings~~

1 So with that, take your break. We'll resume at 2:45,
2 and you're free to go.

3 (Jury out at 1:27 p.m.)

4 THE COURT: Is the government prepared to rest at this
5 time subject to a final reconciliation of the exhibits, to make
6 sure that all exhibits are agreed upon that have been entered to
7 so that we don't have any challenges with that?

8 MS. BEDELL: Yes, Your Honor.

9 THE COURT: We can do this one of a couple of different
10 ways.

11 Does the defense wish to address the Court?

12 MR. KAMENS: I do, Your Honor, and I'm happy to do so
13 now. I'm happy to let the witness stand down from the witness
14 stand.

15 THE COURT: Yes, you may.

16 (Whereupon, the witness exits the stand.)

17 MR. KAMENS: I'm also happy to submit to the Court a
18 written motion that I can hand to the government and give them
19 some time to prepare a response and come back for argument, if
20 the Court would prefer to do it that way. While I'm prepared to
21 present our Rule 29 argument now --

22 THE COURT: Let me ask you in a hypothetical sense: If
23 the Rule 29 is not successful, does the defense intend to present
24 a defense case, or will we be moving to jury instructions and
25 closing arguments?

1 MR. KAMENS: We anticipate that we would move to jury
2 instructions.

3 THE COURT: Why don't we do this: Certainly, I would
4 rather have the opportunity to look at whatever you've written in
5 writing. I have a feeling that some of it will be similar to
6 things that are already in the record. I don't expect the
7 government to have responded or for us to wait on the jury. We
8 need to both be efficient and deliberate, but also move things
9 forward.

10 MR. KAMENS: Understood.

11 THE COURT: I also want to address jury instructions
12 and the charging conference, but everyone needs a little bit of a
13 break, so go ahead and give a copy of your written submission to
14 the government. You can hand one up. We will take a look at it.
15 We will endeavor to put together draft instructions for your
16 review. Again, it requires you to do multiple things all at the
17 same time, and we will -- let's try and come back here a little
18 bit after 2:00, maybe 2:10. I mean, I understand everyone's got
19 to take a little rest and get something to eat, but I want us to
20 have enough time so we can get through the Rule 29 and jury
21 instructions, if appropriate, and be ready to go. My intention
22 would be, at 2:45 when they come back, if we can go straight to
23 jury instructions -- again, if that's what transpires -- that
24 then maybe we'd take a small break and be prepared to move to
25 closing arguments. So just thinking about the schedule, but

1 we'll take everything one step at the same time and recess court
2 until 2:10.

3 Court will be in recess.

4 (Whereupon, a recess in the proceedings occurred from
5 1:30 p.m. until 2:23 p.m.)

6 THE COURT: Were the parties able to review the
7 exhibits, and is everybody on the same page?

8 MS. BEDELL: Yes, Your Honor.

9 MR. KAMENS: I believe we are.

10 THE COURT: Does the government rest at this time?

11 MS. BEDELL: I'm sorry, Your Honor?

12 THE COURT: Does the government rest at this time?

13 MS. BEDELL: Yes.

14 THE COURT: Does the defendant have a motion?

15 MR. KAMENS: We do, Your Honor. I've submitted a
16 written motion, and I would like to speak briefly on it.

17 Rule 29 requires the Court to enter a judgment of
18 acquittal if the evidence would not permit a rational jury to
19 find guilt as to every element of the charged offense beyond a
20 reasonable doubt. By definition, if the evidence would permit
21 only a preponderance of the evidence with respect to all of the
22 elements, that is not a sufficient basis upon which to rule for
23 the government on a Rule 29.

24 I would like to speak about three elements that the
25 government has to prove beyond a reasonable doubt: First,

1 knowledge of the object fraud; second, agreement to commit the
2 same crime as coconspirators; and, third, the object proved must
3 satisfy the elements of a scheme to commit bank fraud.

4 With respect to knowledge of the fraud scheme, there is
5 no evidence in this trial that Mr. Hailong Zhu had any contact
6 with the fraudulent platforms that were used to accept
7 investments from victims. He had no communications with victims.
8 He had no communications about contacts with victims with other
9 conspirators. There are no emails of bank information to be
10 shared with victims from him. There's no admission that he knew
11 where the money came from. This is not a money laundering case
12 in which willful blindness as to the unlawfulness of proceeds is
13 a sufficient basis to find that the defendant has engaged in that
14 prohibited conduct. This is a conspiracy to commit bank fraud in
15 which the government must prove not only that Mr. Zhu knew about
16 the object fraud, but that he agreed to participate in it. In
17 this case, there is simply no evidence that Mr. Hailong Zhu knew
18 anything about the scheme to obtain money from the victims. For
19 that reason, the Court should grant the Rule 29.

20 A similar point is with respect to the requirement that
21 the government prove that Hailong Zhu agreed to commit the same
22 crime as his coconspirators. It is certainly true that the Court
23 must consider the evidence at this stage on this motion in the
24 light most favorable to the government. In considering the facts
25 in that respect, the Court has certainly heard evidence that

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1 Mr. Zhu was involved in the opening of bank accounts based on
2 companies that, in fact, had no business; that large amounts of
3 money were deposited in those accounts; and that he made
4 substantial withdrawals and helped to transfer that money, but
5 none of that shows that he agreed to the fraud scheme engaged in
6 by the individuals who stole money from victims. It is not
7 enough for Hailong to agree to help them commit some crime. In
8 other words, it is not enough if he believed he was committing
9 money laundering if the others have agreed or are trying to
10 commit another crime, the charged crime, which is conspiracy to
11 commit bank fraud. They must show that Hailong agreed to that
12 same conspiracy to commit bank fraud, and there is nothing in
13 this trial to show that he was a partner in that scheme to steal
14 money from victims. The last --

15 THE COURT: I'm having trouble following that final --
16 maybe it's the way you're saying it, but the conspiracy is not to
17 steal money from victims. That would be wire fraud. The
18 conspiracy is to commit bank fraud, to obtain the property of
19 banks; and we've had tons of briefing on this issue, and I'll
20 hear from the government in a second, but I'm a little confused
21 with your language.

22 MR. KAMENS: Let me be more clear with respect to what
23 I'm specifically referring to, and that is the line of cases,
24 starting with *Rosenblatt* from the Second Circuit in which one
25 defendant engaged in fraud and obtained some fraudulent checks,

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1 and then obtained the help of his rabbi, Rosenblatt, to launder
2 the proceeds of that fraud, but the rabbi who laundered the funds
3 didn't know anything about the actual fraud that had produced the
4 money. They were both charged with the conspiracy to defraud the
5 United States.

6 THE COURT: Well, in that case, the rabbi thought that
7 it was about evading taxes --

8 MR. KAMENS: Correct.

9 THE COURT: -- and so there was a question about what
10 the object of the conspiracy was.

11 MR. KAMENS: Correct.

12 THE COURT: So, here, there aren't multiple objects.
13 The government has elected to pursue solely bank fraud, so the
14 question is, is there sufficient evidence in the record, taken in
15 the light most favorable to the government, that there was an
16 agreement between the defendant and others to commit the crime of
17 bank fraud, to obtain bank property or property under the control
18 and custody of the bank? So how do you respond to that argument?

19 MR. KAMENS: That argument is based on the fact that we
20 have a difference of -- we differ on what bank fraud is, that is,
21 that bank fraud is not money laundering. It is not engaging in
22 bank transactions with the proceeds of criminal conduct. It is
23 not engaging in fraud that also happens to involve a bank
24 account. It is lying to a bank to get the bank to release money
25 that is the bank's property or the property of another person's

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1 account. It is not what Mr. Zhu did, which is open up bank
2 accounts, and the proceeds of anterior criminal conduct was
3 funneled through those accounts. That is not bank fraud.

4 THE COURT: Well, it doesn't matter what Mr. Zhu did.
5 It matters what the object of the conspiracy was --

6 MR. KAMENS: Absolutely.

7 THE COURT: -- what the coconspirators did; and what
8 the coconspirators did would be attributable to Mr. Zhu even if
9 he didn't do it himself or even if he wasn't directly aware of
10 it.

11 MR. KAMENS: The precondition for attributing the
12 conduct of coconspirators to Mr. Zhu is his knowledge and
13 agreement to what they're doing; that is, simply because Mr. Zhu
14 agrees to help them engage in money laundering is not the same
15 thing as conspiring with them to commit bank fraud. So the point
16 of the argument is that there's nothing in this trial, no
17 evidence, to show that Mr. Zhu ever knew the source of the funds
18 going into the accounts. That is a necessary precondition to
19 finding him guilty of conspiring to commit bank fraud.

20 Does the Court follow my argument, or am I not being
21 clear enough?

22 THE COURT: No, I follow your argument.

23 MR. KAMENS: The last argument is that this is not a
24 bank fraud scheme that the government has proved. The simple
25 test for bank fraud with respect to the victims that testified in

~~Proceedings~~

1 this case is, Did Marisol Chavez and did Kwadwo Danso-Fordjour
2 authorize the wires that they sent? If so, that's not bank
3 fraud. Bank fraud does not encompass frauds to have people write
4 checks or wire money or otherwise send monies to scammers. Banks
5 can't prevent people from doing foolish things with their money.
6 The fact that these individuals decided, even if they were
7 deceived by scammers, to send their own money, to wire their
8 money, that is not bank fraud. Bank fraud requires a lie to the
9 bank that causes the bank to release the money, and it is
10 different than lying to a victim to get the victim to send money
11 to the scammer. It's a very straightforward and simple argument,
12 and it's been accepted by a number of courts. What the
13 government has here -- essentially, everything that the
14 government has presented -- is a fraud scheme that does not
15 constitute bank fraud. The one thing they pointed to is efforts
16 to get victims to take out personal loans, and that also, in this
17 case, is not evidence of bank fraud. Loan proceeds, once they're
18 disbursed to the borrower are no longer property of the bank.
19 And if the fraudster obtains money that has been disbursed to the
20 borrower by the bank pursuant to a personal loan, that, again, is
21 not bank fraud because they are not stealing bank property.

22 The language here is difficult to parse because when
23 we're talking about bank property, it's easy to think it's just
24 money in a bank account, that that's bank property; but the thing
25 is it doesn't encompass -- that is, specifically, bank fraud does

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1 not encompass -- anything involving a bank account that is
2 connected to a crime. It requires, specifically, lies to a bank
3 to get the bank to release its money or someone else's money;
4 like, for example, a mortgage loan application that has a lie.
5 That is material. That would be something that would cause the
6 bank to give its own money based on a lie. That is bank fraud.

7 Another clear example -- it's the one talked about by
8 Scott Golladay -- is a \$100,000 fraudulent check. The bank
9 doesn't know it's fraudulent; deposits it into a customer's
10 account; and within one business day, because of the UCC, the
11 bank has to give that money or make it available for withdrawal
12 to the customer. The customer takes out the money, \$100,000, and
13 the bank learns three days later the check is fraudulent. The
14 customer no longer has the money. The bank has to write off that
15 loss. That is bank fraud. It's a lie in the form of that
16 fraudulent check to the bank to get the bank to release funds.

17 What we have here is a scheme to get individuals to go
18 on cryptocurrency spoofed platforms and then decide to wire their
19 own money to the scammers. That is not bank fraud. That is
20 specifically what *Loughrin*, the Supreme Court case, says is not
21 bank fraud, a scammer who gets a valid check or a valid form of
22 payment from the victim; and that's why it's that simple test I
23 propose here: Is the money that was provided by Marisol Chavez
24 and Kwadwo Danso-Fordjour, are those valid wires? And they are
25 because they were authorized by those individuals. It is fraud;

~~Proceedings~~

1 there's no doubt about that; it's just not bank fraud.

2 THE COURT: Thank you.

3 MS. BEDELL: Your Honor, the standard here is whether,
4 after reviewing the evidence in the light most favorable to the
5 prosecution, any rational trier of fact could have found the
6 essential elements of the crime beyond a reasonable doubt. The
7 government gets the benefit of all reasonable inferences from the
8 facts proven to those sought to be established, and the jury, not
9 the reviewing court, weighs the credibility of the evidence and
10 resolves any conflict of the evidence presented.

11 So in this case, Your Honor, I think there is ample
12 evidence to support a conviction for bank fraud -- a conspiracy
13 to commit bank fraud here.

14 I would like to start with what the defendant agreed
15 to. And so -- and I do want to be clear: We are not saying that
16 his lies in opening accounts constitutes bank fraud in and of
17 themselves, but they certainly demonstrate a willingness to lie
18 to banks, and that is a critical part of the intent that needs to
19 be proven.

20 Additionally, the defendant himself actually did engage
21 in acts of bank fraud by directly lying to banks in order to
22 obtain money from them. So a very clear example is the
23 transaction that happened on December 10th when he attempted to
24 withdraw just short of \$75,000 from his personal Bank of America
25 account that had been -- the transfer from Robert Kessler on

~~Proceedings~~

1 December 9th. And in this transaction, when he attempted to
2 withdraw the money, he told the bank that this was money that he
3 had received from a remodeling contract. And we heard evidence
4 that, in fact, Mr. Kessler lived in Alaska and he had reported
5 being a victim; he submitted a hold harmless request; that money
6 was returned to him. So those were very clearly not remodeling
7 funds.

8 THE COURT: But how are they the funds of the bank? In
9 other words --

10 MS. BEDELL: So, Your Honor --

11 THE COURT: You're absolutely right that the Court will
12 take, and must take, the facts in the light most favorable to the
13 government, but explain to me what facts there support a false
14 statement to the bank to obtain the bank's property.

15 MS. BEDELL: So, Your Honor, the statute requires that
16 you can either be trying to obtain the property of the bank or
17 property in the custody of the bank. So as an initial matter,
18 this falls most easily under property in the custody of the bank.

19 THE COURT: But is there any case that you've shown me
20 that supports that theory? Because that theory, it strikes me,
21 would mean that all customers' funds in the bank are under the
22 custody of the bank. That's the whole nature of having your
23 money in the bank, right? You don't have it physically; the bank
24 has it, but it's your money. So if the bank fraud statute were
25 intended to cover that, it would mean all accountholders' funds

~~Proceedings~~

1 would be subject to bank fraud if somebody was trying to get the
2 accountholders' money. But isn't that the essence of all the
3 other fraud statutes you could have brought, including wire
4 fraud, which is trying to get a customer's money, not the bank's
5 money?

6 MS. BEDELL: No, Your Honor. This is very much bank
7 fraud because it is making misrepresentations to the bank in
8 order to get money out of the bank's custody. And so it has to
9 be material. So I think maybe the point you're getting at is if
10 I, like, you know -- I think Mr. Kamens had made an example of I
11 say it's for my bills, but, really, it's my golf tee time. The
12 bank is not going to care about that. But we heard ample
13 evidence about why this was a material misrepresentation and how
14 banks are trying to determine whether these withdrawals are
15 legitimate, and using this information for that purpose --

16 THE COURT: You mean because of the anti-money
17 laundering laws and bank secrecy laws, that they have an
18 obligation to look into why certain money is coming and going?
19 Is that what you're talking about?

20 MS. BEDELL: It's not just their obligation, but the
21 fact that they do it, Your Honor, and that they are evaluating
22 this information and using it in making decisions about whether
23 to release the money.

24 THE COURT: But it's not their money, is it?

25 MS. BEDELL: Your Honor, it does not have to be their

1 money, but I will put a pin in that and say *U.S. v. Shaw* does say
2 that banks have an interest in accounts that -- in funds in an
3 account. They do have a property interest there.

4 And the other thing, Your Honor, is that it's also
5 not -- I think this is the other point, is that you had said: It
6 is my money I'm trying to get out of the account. And maybe in
7 some instances if you're trying to withdraw from your own
8 account, but the fact is that this wasn't Mr. Zhu's money. It
9 was sent to him under fraudulent pretext. And the law is also
10 very clear that you don't have an unfettered right to money that
11 you've gotten through fraud and theft. So the idea that the UCC
12 applies and that he can just pull this money out because it's in
13 his bank account, that's, first of all, not a reflection of the
14 reality. We saw numerous instances where the defendant and his
15 coconspirators were not able to access the money that was in
16 their bank accounts, and that's because they don't have an
17 absolute right to it.

18 THE COURT: All right. I guess I'm focused on trying
19 to understand what the government's theory is. Is it that
20 because the banks have the ability to freeze, either restrict or
21 suspend and then close an account, that that gave them control
22 over the accounts; and, therefore, any lies connected with trying
23 to get that money released constitute bank fraud?

24 MS. BEDELL: Yes, Your Honor.

25 THE COURT: Is that your theory?

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1 MS. BEDELL: It constitutes efforts in this case to
2 obtain the funds from the custody of the bank, and those were
3 lies directly made to the bank here. So we're not even dealing
4 with the situation of it going through an intermediate person;
5 and that's where the cases are much more hesitant and are trying
6 to -- you know, my fake purse that I think is real, that's not
7 bank fraud because there's no direct con- -- there's no direct
8 relationship between the misrepresentation and the bank. But,
9 here, this is -- the plain text of the statute is that it can be
10 money in the custody of the bank, and it has to be
11 misrepresentations. And, again, I think Mr. Kamens and I
12 disagree about whether the misrepresentations have to go to the
13 bank, but in this case, they absolutely have. And so that is
14 100 percent classic bank fraud. And I think Mr. Kamens has
15 argued that because it's already in his bank account, you're not
16 obtaining it, but the reality is very different. As we said, we
17 saw numerous instances where they were not able to get the money
18 out of the account. And to think that the goal of the conspiracy
19 was to say, Let's just get the money into Hailong Zhu's account,
20 mission accomplished, we're done here, that was clearly not the
21 goal or the purpose of the conspiracy. The goal was to continue
22 moving it on. And so that's why we saw all of those transfers
23 sending the money overseas, and it's why we saw the
24 coconspirators -- Mr. Wong, Small 7, Nikki -- going to great
25 lengths to try to get this money out of these accounts after

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1 they've been restricted and continue moving them on. This was a
2 massive focus of the conspiracy, and it involved
3 misrepresentations by Mr. Zhu and his conspirators at nearly
4 every step, and that's why it constitutes bank fraud, Your Honor.

5 THE COURT: All right. Are there any other cases other
6 than *United States v. Shaw* that address this issue of the custody
7 and control in the government's theory?

8 MS. BEDELL: I'm sure. I will be honest, Your Honor, I
9 had not really thought -- it's the plain text of the statute, so
10 that it does say in the statute that it is efforts to obtain
11 money from the custody of a bank. So I have not looked for
12 specific case law that would support that point because I hadn't
13 understood Mr. Kamens to be arguing that. So I think I would
14 have to go do additional research for that specific -- I'm
15 certainly not saying there aren't cases. I just don't
16 necessarily have them at my fingertips right now. Frankly, some
17 of the cases that we have looked at and discussed probably do
18 cover this, and I would just need a minute to -- or more than a
19 minute -- but I would need to go through that. That's just not
20 something that I had been totally aware was at issue given that
21 it is the plain text of the statute.

22 THE COURT: And tell me again how you distinguish
23 between that theory of custody and control and bank fraud then
24 applying to every effort to make a false statement to obtain the
25 money that's already in accountholders' accounts.

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1 MS. BEDELL: Well, Your Honor, it seems like you're
2 concerned about situations where just an ordinary bank customer
3 is trying to get money out, and so I'm struggling to understand
4 exactly what this hypothetical looks like, but I do keep coming
5 back to materiality here because it is very difficult for me to
6 imagine what the sort of general misrepresentation that, you
7 know, me as a law-abiding citizen is going to make to my bank in
8 trying to get money out. So, you know, I would -- like an ATM
9 transaction is not necessarily automatically bank fraud if it
10 doesn't involve a misrepresentation; and then, again, it has to
11 be a material misrepresentation. So that, to me, it strikes me
12 as a limiting factor, is that I'm not sort of seeing cases where
13 we are charging or considering or trying to protect against
14 someone paying their tea time rather than paying their bills or
15 something like that. I don't think that that would fall into the
16 category of material.

17 THE COURT: Anything else?

18 MS. BEDELL: Yes, Your Honor. I would like to address
19 the loan aspect of the conspiracy, but if that's something
20 that -- if that's helpful, because we do believe -- actually, we
21 do believe both the efforts to obtain loans absolutely constitute
22 bank fraud; and, there, we do see misrepresentations going to the
23 bank. We looked at Exhibit 1-4 where Mr. Danso-Fordjour
24 represented that he was not taking out the loan for the purpose
25 of investment, which was exactly what he believed he was taking

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1 out the loan for. And then, also, this is very -- as an
2 identical case to *Chittenden*, wherein, there, there was no
3 misrepresentation that went directly to the bank, but,
4 nonetheless, the misrepresentations induced the victims -- excuse
5 me -- induced the intermediary to take out a loan that was
6 immediately transferred, and that was a direct and close
7 connection. And that's exactly what happened here. I mean,
8 there's absolutely no basis for any of these people taking out a
9 loan other than being induced.

10 The other part of that -- and Mr. Kamens has tried to
11 present this as a third conspiracy -- but the efforts to get the
12 money from the victims that wasn't bank loans. First of all,
13 that's an integral part of this conspiracy. It's not like
14 there's any victim, whether we were allowed to put their
15 testimony on or not, that out of nowhere, someone said, You
16 should take out a loan. This is all part of the same effort.
17 But, in addition, those non-loan transfers that they made also
18 frequently involved misrepresentations. We heard
19 Mr. Danso-Fordjour testify that he invented reasons for sending,
20 in the "purpose"; and we saw in Exhibit 3-3, which was a text
21 between Marisol and Daniel, You don't need to worry that the bank
22 will refuse you because you can tell the bank that it is your
23 friend. Basically, you don't have to tell the bank the real
24 purpose of the transfer; tell them something else and the
25 transaction will go through. And we saw numerous transactions

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1 that were labeled "construction," home goods -- that's not an
2 exact one -- but it was construction, payment for supplies,
3 things that were very clearly not the actual purpose of these
4 payments. And we heard testimony from Mr. Campbell and
5 Mr. Golladay that these representations are material. So we
6 absolutely believe that that is also -- and we think the evidence
7 supports -- that that is also bank fraud.

8 And then to the final point that -- maybe not the
9 final, but one other point that Mr. Kamens made here is those
10 cases -- and I think you picked up on this, Your Honor -- but the
11 *Rosenblatt* cases have found that you have to have agreed to
12 commit the same offense; and everyone here is committing bank
13 fraud, and this is an integrated and coordinated conspiracy to
14 get the money out of victims and the banks into the intermediary
15 accounts and overseas. And everyone at all the different
16 stages -- they may be committing other crimes, too, which happens
17 frequently -- but they are definitely committing bank fraud. And
18 the law is very clear that once Mr. Zhu has agreed to commit bank
19 fraud, he does not have to know the details of the scheme; he
20 does not have to know every participant; he does not have to know
21 every act. And, in fact, in *United States v. Mora*, the Fourth
22 Circuit specifically says he does not need to know the
23 organization of the scheme.

24 In *Rosenblatt* -- and there's a whole line of cases --
25 those are all instances where, as you pointed out, one person was

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1 committing tax evasion, in his mind, and the other was committing
2 some sort of fraud. But, here, everyone has agreed to commit
3 bank fraud. So that is what we have to prove, and that is what
4 the evidence supports here, Your Honor.

5 THE COURT: Anything else?

6 MS. BEDELL: Not unless there are other questions, Your
7 Honor.

8 THE COURT: Thank you.

9 MR. KAMENS: May I respond briefly?

10 THE COURT: Yes.

11 MR. KAMENS: Your Honor, banks put in place provisions
12 to protect their customers. So if I go to a bank and say I'd
13 like to withdraw my money, and I'm really intending to invest in
14 cryptocurrency, the bank may say, That's not a good idea; we're
15 not going to let you do that. But it's my money. If I say,
16 then, Well, actually, I'm going to put it under my mattress, and
17 they give me the money, I can do whatever I want with it. It is
18 my money. The fact that I'm invading those internal controls to
19 protect the customer is not bank fraud.

20 The government's theory that they've just announced is
21 a theory that the bank fraud statute is a criminal banking
22 statute; that drug dealers who deposit money in banks commit bank
23 fraud when they withdraw money or move it and don't tell the bank
24 that they're actually drug dealers. That is not bank fraud. The
25 government's argument also makes bank fraud never-ending. We

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1 have argued about this. We've cited that --

2 THE COURT: Well, how do you respond to the argument
3 about the custody and control? There seems to be a fundamental
4 difference over the view of what "custody and control" means.
5 And so if a bank doesn't have a property interest, generally, in
6 the money that its accountholders put there, but has certain
7 obligations and can take certain actions when, for example, they
8 think there's fraud going on or they think that they might end up
9 being liable, so that they have to restrict an account or suspend
10 it, does that not fall under the definition of bank fraud?

11 MR. KAMENS: It doesn't if the action is authorized by
12 the accountholder. So banks have a property interest in the
13 money that they have in their accounts, but that property
14 interest is always subsumed to the interest of the accountholder,
15 so that the two --

16 THE COURT: Well, in this case, the accountholder is
17 alleged to have been perpetrating a fraud.

18 MR. KAMENS: Absolutely, but that comes down to whether
19 people who engage in criminal conduct and deposit proceeds from
20 criminal conduct in banks, whether that constitutes bank fraud,
21 and it doesn't.

22 Let me explain the response in two ways: One, it comes
23 down to, What is the occasion by which a person obtains someone
24 else's property? Bank fraud is committed when you obtain the
25 property of the victim. It is not when individuals engage in

1 money laundering or transactions with the proceeds of that crime.
2 That is not the occasion by which they obtain the money from the
3 victim. Every wire fraud, bank fraud, mail fraud statute is
4 about obtaining property from the victim; and this case, it has
5 always seemed has been about the fraud that was perpetrated on
6 these victims. But now the government has completely changed
7 what they're saying, and they're saying, essentially, that the
8 movement of those proceeds without telling the bank about what
9 this was actually about constitutes bank fraud. And there's not
10 a single case that supports that theory. We have argued about
11 it. We've cited the Seventh Circuit case -- I think it's called
12 *Anderson* -- which says that the reason you can't call this a
13 fraud every time they move the money is because that would make
14 the fraud never-ending as long as the defendants have that money
15 and move it around.

16 The fraud occurs when it's stolen from the victim, not
17 when they're moving money between accounts. And so, again, the
18 Court's question to the government was very apt, and that is, Is
19 there any case that supports the theory that the bank fraud
20 statute completely subsumes money laundering, it encompasses
21 depositing proceeds of a crime, and then trying to get that money
22 to another account? There isn't a case that says that. Instead,
23 what bank fraud or wire fraud or mail fraud is is stealing money
24 from a victim. Everything that happens after the money is
25 obtained from the victim is not the fraud itself. It may be

1 other crimes. It may well be money laundering, which is exactly
2 what the conduct that has been alleged in this case or presented,
3 the evidence, with respect to Mr. Zhu would establish in the
4 light most favorable to the government, but that is not bank
5 fraud. Otherwise, essentially, bank fraud is everything
6 involving the deposit of money from the criminal activity.

7 THE COURT: Do you wish to be heard?

8 MS. BEDELL: Briefly, Your Honor.

9 THE COURT: All right.

10 MS. BEDELL: Again, bank fraud is everything if you
11 omit all the other elements. And, again, there's plenty of ways
12 to commit money laundering that don't involve bank fraud, but
13 when you are lying and making material misrepresentations to the
14 bank, that is the critical defining element here that
15 distinguishes it from just trying to conceal your money.

16 And, again, I think we've debated *Anderson* extensively,
17 but *Anderson* stands for the fact -- the specific facts of that
18 case, to be clear, the money had been at rest for ten years.
19 Though she made another transfer that the court determined
20 completely unrelated to the fraud and the scheme that was at
21 issue in that fraud, they concluded that transfer was not bank
22 fraud; and that seems entirely reasonable given the particular
23 facts of that case, but it is nothing to say about whether that
24 can never -- a transfer between accounts can never be bank fraud.

25 And then, Your Honor, we would ask you to delay ruling

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1 until after the jury has returned a verdict. I will put that on
2 the record. Thank you, Your Honor.

3 THE COURT: Thank you.

4 Well, these issues are not being raised for the first
5 time. They've been raised throughout this case, from the first
6 indictment, to the superseding indictment, to the motion to
7 dismiss, to the motion *in limine*, and now to the Rule 29. I
8 appreciate the efforts of counsel to educate the Court. I
9 appreciate the submission of the written motion for judgment of
10 acquittal.

11 I will say that it is a difficult position to be in
12 because the government doesn't have the opportunity to submit a
13 full written position; but as I said, there is plenty of evidence
14 and law in the record based on the submission of both sides.

15 I'm going to take a brief recess and then we will
16 reconvene. Court will be in recess.

17 (Whereupon, a recess in the proceedings occurred from
18 2:55 p.m. until 3:21 p.m.)

19 MR. KAMENS: Your Honor, can I make one small point
20 that I forgot to make?

21 THE COURT: All right.

22 MR. KAMENS: This is in our written pleading, but with
23 respect to the government's custody and control theory, all of
24 the conduct -- the agreements, the misrepresentations they point
25 to -- happened in California. If that conduct, which is

1 equivalent to money laundering, is the basis for the government's
2 custody and control bank fraud theory, it is just as subject to
3 the dismissal the Court already entered in this case with respect
4 to the money laundering charge.

5 THE COURT: Thank you.

6 This matter comes before the Court on Defendant's
7 motion for judgment of acquittal pursuant to Rule 29, and the
8 Court must determine whether, viewed in the light most favorable
9 to the prosecution, there's substantial evidence to support a
10 guilty verdict in this case. Substantial evidence is evidence
11 that's sufficient for a reasonable juror to find proof beyond a
12 reasonable doubt of each element of the charged offense.

13 The indictment, the superseding indictment, charges one
14 count of conspiracy to commit bank fraud. It does not charge
15 multiple-object conspiracy; it does not charge conspiracy to
16 commit money laundering, or conspiracy to commit wire fraud. The
17 elements of conspiracy to commit bank fraud are as follows: Two
18 or more persons agree to commit bank fraud; the defendant
19 willfully joined the conspiracy with the intent to further its
20 unlawful purpose. Bank fraud, which was the object of the
21 alleged conspiracy, has three elements: First, that the
22 defendant knowingly executed or attempted to execute a scheme or
23 artifice to obtain any monies, funds, credits, assets, or other
24 property owned by or under the custody or control of a financial
25 institution by means of material false or fraudulent pretenses,

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1 representations, or promises; two, the defendant did so with the
2 intent to defraud; and, three, the financial institution was then
3 federally insured. Now, there's no dispute that the banks in
4 this case that have been identified were federally insured; and,
5 really, there's no dispute that there was a scheme to defraud.
6 The cryptocurrency scheme was a wide-ranging and clear effort to
7 obtain money through false pretenses. However, there is no
8 evidence, even in the light most favorable to the government,
9 that the defendant knew of the cryptocurrency scheme; that he
10 knew of the websites or the platforms that were used; that he
11 knew of Daniel or Rachel or the others who posed as friends or
12 others who lured the victims of that scheme; or that he even knew
13 the source of the money that came into his accounts. There's no
14 evidence that Joseph Wong or Nikki or Little 7 ever explained or
15 shared the purpose or means of the conspiracy to the defendant,
16 that it was to defraud victims of their money. More
17 specifically, there's no evidence that there was a meeting of the
18 minds as to the object of the conspiracy that the defendant is
19 charged with, even taking the evidence in the light most
20 favorable to the government. There's simply nothing in the
21 record that there was an agreement to defraud banks of their
22 property or property under their custody and control.

23 *Loughrin* makes clear, as do many other cases, including
24 the *Davis* case, that not every false statement or lie to a bank
25 is bank fraud, and not every effort to get victims to part with

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1 their money is bank fraud, even if a bank is involved. Here,
2 there's no evidence that the money from the victims of the
3 cryptocurrency scheme involved the bank's property or put the
4 bank at risk in any way or implicated property under the control
5 of a financial institution. The acts to restrict or suspend the
6 accounts after the fraudulent scheme had obtained the funds
7 cannot support a bank fraud theory. And, in fact, there's no
8 evidence that Ms. Chavez, for example, ever got a loan. She used
9 her own money and wired it as part of the fraud; and
10 Mr. Danso-Fordjour, likewise, used his own money, for the most
11 part, with the exception of the one loan that he sought from SoFi
12 Bank, but his statements to the bank, even taking that in the
13 light most favorable to the government, cannot support a theory
14 of bank fraud here. They're simply too attenuated to be
15 attributed to the defendant in this case.

16 Now, the Court has no doubt that the government has
17 established many crimes were committed by the codefendants in
18 this case. There's no doubt as well that the defendant here was
19 taken advantage of in many ways by the codefendants, as
20 recognized by the agents themselves. Whether the defendant is
21 guilty of other crimes not charged in this indictment is not for
22 the Court to say and not before the Court, but the Court finds
23 that, pursuant to Rule 29, there's insufficient evidence to let
24 this case go forward and go to the jury; and, accordingly, the
25 motion for judgment of acquittal is granted. And I don't do that

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1 lightly, and I appreciate the efforts that all counsel have
2 devoted to this case, but there's simply no way for the Court to
3 reach another decision, and so this matter is dismissed pursuant
4 to Rule 29.

5 I will bring in the jury and advise them that the
6 matter has been resolved and that they are discharged from
7 further responsibilities in this case.

8 You may bring them in.

9 (Jury in at 3:28 p.m.)

10 THE COURT: Ladies and gentlemen of the jury, I want to
11 thank you for your participation in this matter. I know that we
12 have exceeded, by some time, the amount of time I told you we
13 would have for lunch. The reason for that is that there were a
14 number of legal issues that the parties needed to resolve, and as
15 a result of those legal issues and a motion made by the defense,
16 which the Court has granted, the case has been dismissed; and,
17 accordingly, there will be no further requirement for you to
18 deliberate on this matter.

19 I realize, in some ways, that may be disappointing
20 because you've paid a lot of attention and your work was about to
21 begin. I want to thank you for your attention to this matter. I
22 want to thank you on behalf of myself as well as the counsel.

23 These cases are always difficult, and the lawyers have
24 worked very hard, and we cannot do this work and the courts
25 cannot function without citizens being willing to take the time

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1 out of their day. And I know it wasn't voluntary, but you did
2 it, and you clearly paid close attention to the matter, and the
3 matter is now resolved. So you are released from further duty,
4 and you may go at this time. Thank you again.

5 (Jury out at 3:30 p.m.)

6 THE COURT: Well, this matter is now resolved. The
7 case is dismissed. The defendant is free to go at this time.

8 Again, I want to emphasize that I appreciate the
9 efforts that everyone has devoted to this case. Cases are never
10 easy. There are complicated factual and legal issues that
11 everybody has to contend with. The Court did what it had to do.
12 The case is dismissed. You-all are free to go. Court will be in
13 recess.

14 (Whereupon, the proceedings concluded at 3:31 p.m.)

15 * * * * *

16
17 CERTIFICATE OF REPORTER

18 I, Diane Salters, hereby certify that the foregoing
19 transcript is a true and accurate record of the stenographic
20 proceedings in this matter.

21
22 /s/ Diane Salters

23 _____
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